

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1217299-0

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b7C

[Redacted Box]

- 1A3

Universal File Case Number 58C/NY-256647

Field Office Acquiring Evidence \_\_\_\_\_

Serial # of Originating Document \_\_\_\_\_

Date Received \_\_\_\_\_

From \_\_\_\_\_  
(Name of Contributor)

\_\_\_\_\_  
(Address of Contributor)

by [Redacted Box] \_\_\_\_\_  
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant  
to Rule 6 (e), Federal Rules of Criminal Procedure  
☐ Yes ☒ No

Title: \_\_\_\_\_

Reference: \_\_\_\_\_  
(Communication Enclosing Material)

Description: ☐ Original notes re interview of  
Misc. Notes

SENSITIVE

LAUTENBERG, FRANK

NO: 001  
REC-NO: 001

DDN:

TRUE:

FO: NY CASE NO: 194C-0000607  
NAME TYPE: MAIN REF: R EVENT DATE:  
OO: OO CASE NO:  
VIOLATION: CSLPO  
SERIALS: 7

INDEXED: 031087  
MODIFIED:  
SPECIAL:

RACE: U SEX: U ID-NO:  
DOB: POB:  
STREET NO: NAME:  
CITY: ST: COUNTRY: ZIP:  
LOC:

MISCELLANEOUS: SQD/C12

CLASSIFICATION LEVEL: SN CLASSIFIED BY: DECLASSIFY ON:  
<GO> -NEXT INDEX F7 -ADD ALIAS  
F1 -REQUERY F8 -DELETE F10 -INDEX  
SHIFT-F1 -CASE INFO F3 -SUMMARY F6 -ADD INDEX F9 -MODIFY SHIFT-F10 -FOIMS  
4B Aa B0--W737D402 R 2 C 1 15:40 1/03/96

~~SECRET~~

LAUTENBERG, FRANK, R

NO: 001  
REC-NO: 001

DDN:

TRUE:

FO: NY CASE NO: 199-0000266  
NAME TYPE: MAIN REF: R EVENT DATE: INDEXED: 012979  
OO: OO CASE NO: MODIFIED:  
VIOLATION: FCITE SPECIAL:  
SERIALS: 1 P3 34 P8 (2/79)

RACE: U SEX: U ID-NO:  
DOB: POB:  
STREET NO: 36 NAME: STONE BRIDGE AVE, MONTCLAIR  
CITY: NJ ST: COUNTRY: ZIP:  
LOC:

MISCELLANEOUS: TEL# (201) 783-6097

CLASSIFICATION LEVEL: ~~S~~

~~CLASSIFIED BY: G-3~~

~~DECLASSIFY ON: OADR~~

<GO> -NEXT INDEX

F1 -REQUERY

SHIFT-F1 -CASE INFO F3 -SUMMARY F6 -ADD INDEX

4B

Aa

B0--W737D402 R 2

F7 -ADD ALIAS

F8 -DELETE

F9 -MODIFY SHIFT-F10 -FOIMS

C 1

15:41 1/03/96

[redacted] met at Sen Zautenburg [redacted]  
of [redacted]

She requested through [redacted]

Don't know  
who.

[redacted] spoke to her she was int. in Sacrest  
stuff. Meet was in late July.

[redacted] went and [redacted] obtained hants  
Contrib said through [redacted] - Found  
Contrib from Sea to Land. (Doesn't  
know how many of \$ amount).

went to [redacted] and time shortly after  
at her request.

NJ. TRENTONIAN - TODAY Poss. Corrupt article,  
on Lautenburg.

Politic involu in

Seacrest tied strongly to Drug  
Laund. Food Stamp. But Does  
not elaborate.

b6  
b7C

Congress?

Has heard same  
w/o details

Both  
willing to  
talk about Seacrest

b6  
b7C  
b7D

b6  
b7C

↳ Gave whole Seacrest ~~thing~~ speech to  
CD Not knowing Laut contrib.

They feel The Seacrest Invest. ~~was~~ (DEA  
Did) invest went ~~nowhere~~ because  
all Pol's Dems -

b6  
b7C  
b7D

[REDACTED] RE 245 F/NY 225879

b6  
b7C

DID SOME LIGHT CHECKING INTO SEACREST RUMOURS THAT SEACREST HELPS OPEN BODEGAS BY FRONTING \$ TO POTENTIAL BODEGA OWNERS WHO THEN KICKBACK PROFITS (POSSIBLY FROM DRUG SALES?).

HE THINKS SEACREST ITSELF IS A LEGIT BUS. DOESN'T KNOW EXACTLY WHAT THEY DO.

[REDACTED]  
NYPD - MAY HAVE A CASE ON SEACREST BUT NOT SURE. NYPD [REDACTED] (ph) IS [REDACTED]  
[REDACTED]

RECALLS LEARNING FROM SOMEONE THAT NYPD DID A RAID ON A NYC BODEGA & FOUND A RECEIPT FROM SEACREST DURING THE RAID.

THINKS MAY BE AN FBI NEW HAVEN/HARTFORD CASE (WHITE COLLAR) RE SEACREST.



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/13/95

[redacted]  
[redacted] work telephone number [redacted]  
[redacted] home telephone number [redacted] was interviewed  
by Special Agent (SA) [redacted] Federal Bureau of  
Investigation (FBI). [redacted] voluntarily provided the following  
information:

b6  
b7C  
b7D

By way of background [redacted] is currently assigned to

[redacted]

[redacted]

[redacted]

[redacted] currently lives in [redacted] where he is  
[redacted] also noted  
that, [redacted]

[redacted]

Investigation on 10/13/95 at New York, New York (telephonically)

File # 58C - New

by [redacted] Date dictated 10/13/95

Universal Case File Number 58/NY 251.647 **1A2**

Field Office Acquiring Evidence \_\_\_\_\_

Serial # of Originating Document \_\_\_\_\_

Date Received 1/5/96

From \_\_\_\_\_

(Name of Contributor)

(Address of Contributor)

(City and State)

By \_\_\_\_\_

(Name of Special Agent)

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: \_\_\_\_\_

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

b6  
b7C

PLEASE DO NOT REMOVE  
THIS SLIP FROM EXHIBIT  
NY - 256647 - 1A2

b6  
b7C  
b7D

at office

Don't

1/5/96

ran into

Don't know exact details.  
requested that she take a look at  
case. She told [redacted] to have [redacted] give  
call we'll see what we can do.

Think spoke 1x2x on phone. Sent or  
faxed info to her on his case. Went  
and ~~met~~ met 2/23/95 met w/  
who explained she was

Wanted her.

" w/ USA NT to open Invest. Seacrest  
and Dominion O.C.

Can't recall anyone else at meet-

Both involved  
w/ Foundation

met [redacted] in a Restaurant at Gateway!  
during the Breakfast

Have given me a lot - need to  
absorb it and speak w/ Senator about  
would get back to [redacted]

Thinks next time he had contact w/  
[redacted] was 2/27/95 when Foxed her a

b6  
b7C

[redacted] was interested in getting her and the  
Senator more actively involved [redacted]

Recalls getting a call next from [redacted]  
at home. She wanted to meet w/ him  
alone.

had second meet at the Post @ Gateway  
(Thinks has CC receipts).

Spoke w/ Senator, evidence compelling  
she asked what do you want to get out of this thing

b6  
b7C  
b7D

Said she discussed w/ Sen.

→ She also said she had checked out [redacted]

She also told him she was an ~~Atty~~.  
Wished he ~~forgot~~ conv. in retrospect.

So he prepared a memo regarding the meeting. Memo dated March 12, 1995.  
Thinks that's date of the meet.  
Faxed memo from home thinks some day.  
Thinks called her @ 8x in next days

Approx 2 mks later, Thinks on a Friday  
[redacted] → stopped by office [redacted]  
at Gateway 1 - Newark - 5-6pm -  
in her office. Wanted to discuss or  
meet w/ a wit there. Said in [redacted]

b6  
b7C  
b7D

Summed getting a strate 5sh.  
Acknowledged he had called and she  
was sorry had not Ret'd calls.  
No contact w/ her since that time  
At all.

Has met Senator at Parties Fund Raisers  
very brief hi how are you. Felt he was trying  
to get away from [redacted]

[Redacted]

Invest closed down ~~DEA Day~~

by Sups. 1992 Inv.

[Redacted]

Manda's O Squad

IRS (DEA Task Force)

closed inv.

[Redacted]

DA's O Bx also closed Inv.

- FBI

[Redacted]

agreed to

behalf: Raising Money

[Redacted]

[Redacted]

- Lied to him during

[Redacted]



No knowledge of [REDACTED]  
[REDACTED]

DOB. [REDACTED]  
[REDACTED]

At 1st meet -

one meet wanted to know names of  
partic. elected officials he had unconv.  
ev. that connected them w/ Sealwest.  
said can't provide not on Defense team

Universal File Case Number 1A1 580/NY-256647

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By \_\_\_\_\_

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Description: ☒ Original notes re interview of

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NY - 256047

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DOB

was w/

outlined Cartel in HTS - how ops being  
moved to Patterson, Passaic, etc NJ  
How Hisp. Com. Being victimized by Dom Cart.  
and Sea Crest Co. Loan sharking, illegal  
imm. weapons run.

[REDACTED]

She said she cut back soon.

[REDACTED]

I have run into [REDACTED] and [REDACTED] a few times  
late at Pol. events.

[REDACTED]

[redacted]

called at 26 Feb.

1/17/96

b6  
b7C

Wanted to let know that he was going to be deposed today by a lawyer for Sea Crest Trading Co.

Lawyer's name is [redacted] (FNU)  
Deposition is at the I's office in Gateway One Newark.

Because office in [redacted] and Rosenberg's office in Gateway One [redacted]

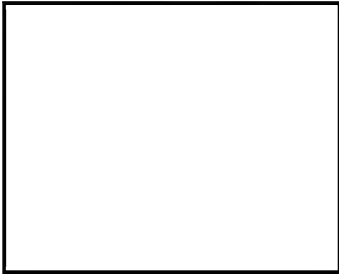
About possible connection(s) between the 2.

Is asked about knowledge of lawsuit.  
(during Deposition) Re Sea Crest - he will not respond. Does not want to jeopardize any possible of investigations by Law Enforcement.  
Won't respond unless ordered by a judge.  
Is going to look at Rosenberg  
Contributors [redacted]

b6  
b7C  
b7D

Thinks There has to be something  
There when an organization like Sea Crest  
has 30,000 Loans on the Street.

b6  
b7c



Sea Crest will try to  
him at the meeting.



58C-NY-256647-1

SEARCHED	INDEXED
SERIALIZED	
NOV 13 1988	
FBI-NEW YORK	

b6  
b7C



Memorandum



To : SAC, CRIMINAL DIVISION

Date 11/6/95

From : SA [REDACTED]

b6  
b7C

Subject: [REDACTED]

UNITED STATES SENATOR FRANK  
LAUTENBERG; OBSTRUCTION OF JUSTICE  
CORRUPTION OF FEDERAL OFFICIALS - LEGISLATIVE  
OO: NY

I. In accordance with policy regarding public corruption investigations, personal authority of SAC, Criminal Division is requested to:

- ☐ Open full investigation
- ☒ Open 90 day preliminary inquiry  
(extension requires FBIHQ approval for each succeeding 30 day period).

based upon facts and/or circumstances reasonably indicating that a Federal violation has occurred, is occurring, or will occur, involving public official(s) elected or appointed to a position of trust in a governmental entity or political subdivision thereof who are alleged to have abused such trust in violation of Federal Criminal Law.

II. FACTUAL PREDICATE (Narrative Summary)

SEE ATTACHED FD 302 OF [REDACTED]

58C-NY-256647  
11/13/95

NY  
11-14-95

64A [REDACTED]

2 - New York  
(1-\_\_\_\_\_)   
(1-66II-73)

58C-NY-256647-2

SEARCHED	[REDACTED]
SERIALIZED	[REDACTED]
NOV 13 1995	
FBI-NEW	

III. LEGAL BASIS (U.S. Code, Section(s))  
18 USC 1505; 18 USC 201

IV. United States Attorney, Assistant United States, or  
Strike Force Attorney

X Has been contacted, opinion obtained as to Federal jurisdiction, and commitment to prosecute if facts developed substantiate the allegations.

b6  
b7C

(AUSA contacted [redacted])

(Date contacted 1/2/95)

(By whom SSA [redacted] SA [redacted])

\_\_\_\_ Will be contacted as soon as practical.

In either case, the opinion will be confirmed in writing.

V. This X is \_\_\_\_ is not a high-impact case involving present or former high-ranking public official(s) and/or highlighted by national news media requiring an immediate teletype to FBIHQ.

\_\_\_\_ Airtel and LHM setting forth facts predicated case, USA's opinion, initial investigative steps contemplated and action, i.e. full or preliminary report to FBIHQ within 5 business days.

VI. SA [redacted]

Supervisor [redacted]

SAC/ASAC [redacted]

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 12/01/1995

**To:** WMFO

**Attn:** SSA [REDACTED] (C-20)

b6  
b7C

**From:** NEW YORK

PUBLIC CORRUPTION (C-14)

**Contact:** SA [REDACTED]

**Approved By:** [REDACTED]

**Drafted By:** [REDACTED]

**File Number(s):** 58C/NY-256647 (PENDING) (Pending)

**Title:** [REDACTED] UNITED STATES SENATOR  
FRANK LAUTENBERG; OBSTRUCTION OF JUSTICE; CORRUPTION OF FEDERAL  
PUBLIC OFFICIALS - LEGISLATIVE; OO:NY

**Synopsis:** Lead to WMFO for campaign contribution records.

**Details:** New York is currently conducting a preliminary inquiry concerning captioned subject. However, other allegations received by New York during the course of this investigation indicate, among other things, that LAUTENBERG, a United States Senator from New Jersey, may have received campaign contributions from a company known as Seacrest Trading Company which does business in Connecticut and the Bronx, New York. It is further alleged that Seacrest Trading Company has ties to Dominican drug organizations.

① - NEW YORK  
② - WMFO

58C-NY-256647-3

[REDACTED]	[REDACTED]
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[REDACTED]
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To: WMFO From: NEW YORK  
Re: 58C/NY-256647 (PENDING), 12/01/1995

**LEAD(s) :**

WMFO

AT WMFO AT WASHINGTON D.C.

WMFO is requested to obtain any and all Federal  
Election Campaign records pertaining to Senator FRANK LAUTENBERG  
for 1990 to the present.

♦♦

580-NY-25647-4

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 19 1996	
FBI - NEW YORK	

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/9/96

[redacted] date of birth [redacted] home address  
[redacted] telephone number  
[redacted] was interviewed at the [redacted]  
[redacted] located in the [redacted] in the  
[redacted]  
[redacted] voluntarily provided the  
following information:

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[redacted]  
[redacted] NPDF is a non profit  
organization incorporated in the state of Nevada in 1995. He  
described the NPDF as a "police support foundation." The NPDF  
sponsors programs to help officers with alcohol problems and  
mental problems. The NPDF provides reward money for information  
leading to the capture/conviction of individuals who harm police  
officers through the "Safe Cop Program." The NPDF sponsors a  
program involving the rehabilitation of prison inmates.  
[redacted] added that the NPDF also generally helps law  
enforcement officers who are "victimized" by the criminal justice  
system.

The NPDF has many members who volunteer their time to  
the organization. Members include various civil rights leaders  
and politicians who often serve on advisory committees to the  
NPDF.

Investigation on 1/5/96 [redacted] Freehold, New JerseyFile # 58C/NY-256647 [redacted]by SAs [redacted]Date dictated 1/9/96b6  
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58C/NY-256647

Continuation of FD-302 of

[REDACTED]

, On 1/5/96, Page 2

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[REDACTED]

[REDACTED]

[REDACTED] STC, a corporation based in the Bronx, New York and Greenwich, Connecticut, has employees and officers who are closely associated with the Dominican drug cartel [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

of a former DEA investigation of STC that had reached a level where there was ample sufficiency to justify the prosecution of

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Continuation of FD-302 of [REDACTED]

, On 1/5/96, Page 3 b6  
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individuals involved with STC, but the investigation was closed down because the United States Attorney's Office, SDNY refused to prosecute the matter. [REDACTED] also told [REDACTED] that there was a lot of in-house fighting and fighting with other agencies about the resolution of the investigation. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] New York Federal Bureau of Investigation (FBI) Supervisory Special Agent [REDACTED] said he planned to open an investigation into the matter and added that it would be assigned to Special Agent [REDACTED]. [REDACTED] did not hear back from [REDACTED] for some time so he called him and asked what was going on with the investigation. [REDACTED] said the case looked good to him, but the United States Attorney's Office, SDNY had refused to prosecute the case for unknown reasons. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] said [REDACTED] assigned to the [REDACTED] has investigated STC and the investigation was closed.

[REDACTED]

[REDACTED] New York FBI Special Agent named [REDACTED] investigated STC and the alleged [REDACTED]

[REDACTED]



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Continuation of FD-302 of

, On 1/5/96, Page

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[redacted] did not know what the results [redacted] investigation were.

A little over a year ago one of [redacted] named [redacted] who resides [redacted] telephone number [redacted] ran into United States Senator (New Jersey) FRANK LAUTENBERG's [redacted] does not know the exact details of [redacted] meeting with [redacted] but [redacted] told him that he requested that [redacted] take a look at [redacted] case. [redacted] told [redacted] she'd see what they could [redacted] also told [redacted] to have [redacted] call her.

[redacted] said he was very interested [redacted]

Subsequently, [redacted] called [redacted] He believes he spoke to her one or two times by telephone during this time period. He also recalled sending or faxing [redacted]

[redacted] had a meeting with [redacted] in a restaurant at [redacted] [redacted] noted that Senator LAUTENBERG has an office located in Gateway One. Also present during this meeting were [redacted] and [redacted]

[redacted] and can be reached at telephone number [redacted] is a [redacted] who had obtained a [redacted] [redacted] STC was now victimizing the hispanic communities of New Jersey. [redacted]

During the meeting, [redacted]

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Continuation of FD-302 of

[Redacted]

, On 1/5/96, Page

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[Redacted]

At the conclusion of the meeting [Redacted] told [Redacted]

[Redacted]

[Redacted] the events that transpired at the meeting with [Redacted] that same day.

[Redacted]

[Redacted]

The letter reads as follows:

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Continuation of FD-302 of

[Redacted]

, On 1/5/96, Page

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[Redacted] believes the next time he had contact with

On that date,

[Redacted]

[Redacted]

[Redacted] A copy of that letter was provided to the interviewing agents and reads as follows:

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Continuation of FD-302 of [REDACTED]

, On 1/5/96, Page 10 b6  
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[REDACTED] next recalls getting a telephone call from [REDACTED] while he was at home sometime in approximately early March 1995. [REDACTED] told [REDACTED] that she would like to meet with him alone. [REDACTED] and [REDACTED] agreed to meet at the same restaurant in [REDACTED] [REDACTED] could not recall the exact date of the meeting, but he believes it was probably on March 12, 1995. He added that he may have credit card receipts from the meeting because he believes he picked up the restaurant tab.

During this second meeting, [REDACTED] told [REDACTED] that [REDACTED] Senator LAUTENBERG and that they believed the evidence he had presented was compelling. [REDACTED] told [REDACTED] that she had checked out his story with some political people she knew and they told her [REDACTED]

[REDACTED]

Upon further consideration, however, [REDACTED]

[REDACTED]

[REDACTED] prepared a memorandum to [REDACTED] sometime after the second meeting with [REDACTED] (possibly the same day as the meeting) addressing what was discussed at the meeting. [REDACTED] faxed a copy of this memorandum to [REDACTED] from his home he believes on the same day it was drafted. [REDACTED] provided a copy of this memo to the interviewing agents. The memorandum reads as follows:

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Continuation of FD-302 of

, On 1/5/96, Page 13

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[redacted] tried calling [redacted] approximately eight times in the days following his second meeting with [redacted] but did not get through to her and she did not return his calls.

Approximately two weeks after his second meeting with [redacted] traveled to Senator LAUTENBERG's Newark, New Jersey office in Gateway One to talk to [redacted] said he believes it was late on a Friday afternoon/evening and he was just coming from [redacted] was with [redacted]

Subsequently, [redacted] and [redacted] met with [redacted] in her office. In [redacted] presence [redacted] asked [redacted]

[redacted] also noted that [redacted] acknowledged that she knew he had called her several times during the week and she apologized for not returning his calls.

[redacted] has had no contact with [redacted] since that time. He began to surmise that maybe he was getting [redacted]

[redacted] met Senator LAUTENBERG in the past on several occasions. These encounters were usually at political fundraisers or similar social events. [redacted] conversations with Senator LAUTENBERG on those occasions were very brief and basically entailed [redacted] and the Senator saying hello to each other. [redacted] also noted he often got the feeling that Senator LAUTENBERG was trying to get away from him during these encounters.

In approximately September 1995, [redacted] spoke to [redacted]

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Continuation of FD-302 of

[REDACTED]

, On 1/5/96, Page 14 b6  
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[REDACTED] Because of their discussions,  
[REDACTED] started looking at Senator LAUTENBERG's political  
contributors and on September 27, 1995, [REDACTED]  
[REDACTED] "Suspicious Lautenberg Contributors."  
[REDACTED] was provided  
to the interviewing agents and reads as follows:

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, On 1/5/96, Page 17

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[REDACTED]  
[REDACTED]  
[REDACTED] PAN AMERICAN is a name that Sea Crest has used in the past as a corporate "alias."

[REDACTED] said that one of his informants, an individual named [REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED] added that he could supply additional information concerning this incident.

Because of the information [REDACTED] concerning  
STC representatives using the name PAN AMERICAN ENTERPRISES as a  
corporate alias, [REDACTED] PAN  
AMERICAN ASSOC. [REDACTED]  
Senator LAUTENBERG had received a contribution(s) from STC.  
[REDACTED]

[REDACTED] asserted that [REDACTED]  
[REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 1/5/96, Page 18

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[REDACTED]

[REDACTED] believes that [REDACTED] bases this on a discussion he had with [REDACTED] last year. [REDACTED] said the subject of STC came up during their conversation and [REDACTED] said

[REDACTED]

During this interview, [REDACTED] may have been involved in corruption of some kind. Upon further questioning, [REDACTED] explained that he has no knowledge of [REDACTED] being corrupt.

[REDACTED]

[REDACTED] believes that investigations by several law enforcement agencies into the activities of attorneys [REDACTED] were stopped because [REDACTED] among other things, [REDACTED] has no direct evidence to indicate [REDACTED] but he has heard this from several sources and it would provide one explanation as to why the investigations of [REDACTED] were all stopped.

[REDACTED] and [REDACTED] possessed information concerning criminal activity on the part of [REDACTED] and [REDACTED]. The United States Attorney's Office, SDNY cited attorney-client privilege problems as their reason for declining prosecution in the matter when the federal investigation was presented to them.

[REDACTED] noted that [REDACTED] also indicated in an FBI interview in 1992 that she had told SDNY Assistant United States



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Continuation of FD-302 of [REDACTED]

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[REDACTED]

As additional information, [REDACTED] advised that [REDACTED] was given a polygraph by the FBI during this 1992 investigation. [REDACTED] failed the polygraph. [REDACTED] believes [REDACTED] failed the polygraph because of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] said he is willing to share [REDACTED]

[REDACTED]

[REDACTED] also provided the following documents to the interviewing agents:

A North Jersey Herald News article dated October 15, 1995 written by RICK MURRAY entitled "PROJECT BODEGA AND THE DOMINICAN DRUG CARTEL Loan Sharks Target Ethnic Businesses."

[REDACTED]

A report dated April 16, 1991, concerning an interview of DEA Special Agent [REDACTED] conducted at the United States Attorney's Office, SDNY by Investigators [REDACTED] and [REDACTED]

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Continuation of FD-302 of

[REDACTED]

, On 1/5/96

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Copies of the CONGRESSIONAL RECORD-Extensions of  
Remarks dated February 8, 1994, pp. E131, E132-and E220.

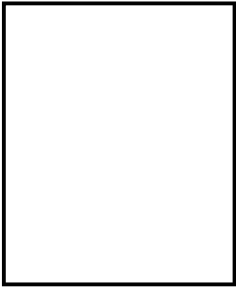
Copies of the CONGRESSIONAL RECORD-Extensions of  
Remarks dated September 23, 1994, pp. E1934 through E1941.

A sworn and notarized affidavit by [REDACTED] dated  
December 22, 1994.

A Demand For Trial By Jury filed on January 10, 1995 by  
the law firm POPE, BERGRIN & TOSCANO, P.A. Attorneys for [REDACTED]  
[REDACTED] in Passaic County, New Jersey.

A copy of a "Sea Crest Trading Company; Prosecution  
Resume" dated January 16, 1995, from [REDACTED] to Congressman  
[REDACTED]

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U.S. Department of Justice

Federal Bureau of Investigation

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In Reply, Please Refer to  
File No.

26 Federal Plaza  
New York, New York 10278

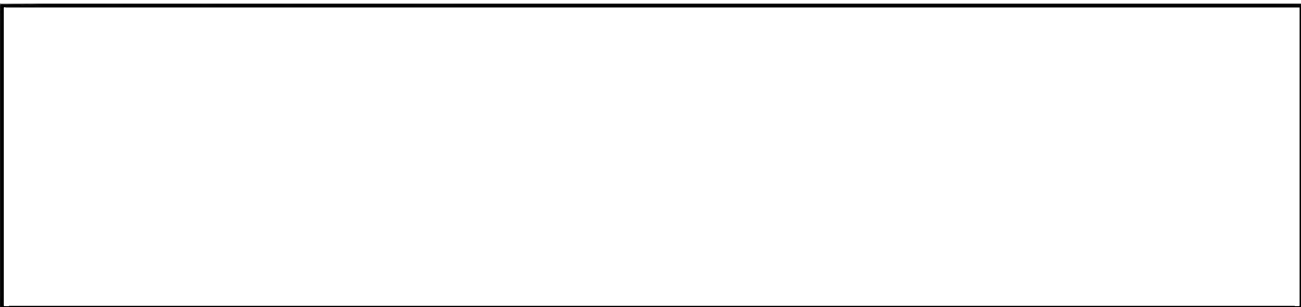
November 6, 1995

[REDACTED]  
UNITED STATES SENATOR FRANK LAUTENBERG  
CORRUPTION OF FEDERAL PUBLIC OFFICIALS -  
LEGISLATIVE BRANCH; OBSTRUCTION OF JUSTICE

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[REDACTED]  
[REDACTED] Seacrest Trading Company  
(STC). STC has offices in Greenwich, Connecticut and the Bronx,  
New York. [REDACTED] some STC  
owners/officers are members of the Dominican cartel [REDACTED]  
[REDACTED] These individuals are involved in laundering drug money  
through STC. STC is also, according to [REDACTED] involved in  
food stamp fraud and loaning money to New York bodega owners at  
usurious rates.



Sometime in late July 1995 [REDACTED] was contacted by  
[REDACTED] United States Senator FRANK  
LAUTENBERG (New Jersey). [REDACTED] subsequently met with [REDACTED]

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at LAUTENBERG's office. During this meeting [redacted]

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After the meeting with [redacted]  
[redacted] Senator LAUTENBERG's campaign contributions  
through "freedom of information" and discovered that STC had made  
contributions to LAUTENBERG. [redacted] does not know the number or  
amounts of these contributions.

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Shortly thereafter [redacted] requested a second meeting  
with [redacted] at LAUTENBERG's office. During this second  
meeting an individual named [redacted]

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[redacted] During this second meeting with [redacted] the topic of  
[redacted]

This matter was presented to [redacted] United  
States Attorney (USA), Southern District of New York, who has  
recused her office from participation in any possible  
investigation involving [redacted]

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[redacted] The matter was  
subsequently presented to Assistant United States Attorney  
[redacted] Eastern District  
of New York on 11/2/95. As a result of this meeting it was  
agreed that the New York FBI will open a preliminary inquiry  
concerning allegations against [redacted]  
[redacted]

(03/31/95)

## FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 11/14/1995

**To:** FBIHQ  
UNIT

**Attn:** PUBLIC CORRUPTION/CIVIL RIGHTS

**From:** NEW YORK

SQUAD C-14

**Contact:** [REDACTED]

Ext. [REDACTED]

**Approved By:** [REDACTED]

**Drafted By:** SA [REDACTED]

**File Number(s):** 58C-256647 (Pending)

**Title:** [REDACTED] UNITED STATES SENATOR  
FRANK LAUTENBERG; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -  
LEGISLATIVE BRANCH; OBSTRUCTION OF JUSTICE; OO:NY

**Synopsis:** Allegations of possible corruption concerning a member of Senator LAUTENBERG's staff.

**Administrative:** For the information of FBIHQ, this matter was originally brought to the attention of the New York Office through contact with [REDACTED]

[REDACTED] stated that he had obtained his information from [REDACTED]  
[REDACTED] was subsequently interviewed on 10/13/95 and corroborated the information pertaining to Senator LAUTENBERG's office.

As additional information, the enclosed LHM will also serve to confirm an opinion rendered by Assistant United States Attorney [REDACTED] Eastern District of New York, on 11/2/95.

① - NEW YORK  
2 - FBIHQ (ENC. 4)

[REDACTED]

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[REDACTED]

[REDACTED]

(03/31/95)

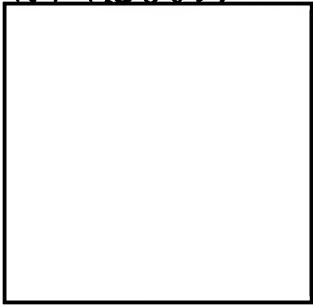
**FEDERAL BUREAU OF INVESTIGATION**

To: FBIHQ From: NEW YORK  
Re: 58C-256647, 11/14/1995

**Enclosures** Enclosed for the Bureau are the original and three copies of a self explanatory LHM.

**Details** New York opened a preliminary inquiry regarding captioned matter on 11/14/95.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/17/96

On January 3, 1996, a search was conducted of the law library and public records located at the FEDERAL ELECTION COMMISSION (FEC), 999 E Street, N.W., Washington, D.C. The following reference material was searched for SEA CREST TRADING COMPANY:

(1) Standard and Poor's Register of Corporation Directors and Executives for 1995.

(2) Dun & Bradstreet Directory for New York, (Manhattan and Bronx) July/August 1995 edition.

Both searches for SEA CREST TRADING met with negative results.

A review of the Dun & Bradstreet Million Dollar Directory provided a listing for SEA CREST TRADING OF CONNECTICUT INC., 111 Mill St., Greenwich, Connecticut. Officers for SEA CREST TRADING were listed as follows:

President	-	LAZAR BERKOVITS
Secretary/Treasurer	-	LOIS KATZ
Vice-President	-	MARK BERKOVITS
Vice President	-	PETER EYTEL
Comptroller	-	STANLEY A. BRILL

These names were run through the FEC individual contributor's lists. No reference or match was found.

A review of the Dun & Bradstreet Million Dollar Directory also revealed a listing for SEA CREST CONSTRUCTION CORPORATION, 157 Albany Avenue, Freeport, New York. Officers for SEA CREST CONSTRUCTION were listed as follows:

President	-	JOSEPH SCALAMANDRE
Secretary/Treasurer	-	FRED SCALAMANDRE
Comptroller	-	MARTY MCCARTHY

These names were run through the FEC individual contributor's lists. This search met with negative results.

Investigation on 1/3/96 at WASHINGTON, D.C.

File # 58C-NV-256647

SA  
by SA

Date dictated 1/17/96

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58C-NY-256647

Continuation of FD-302 of FEDERAL ELECTION COMMISSION, On 1/3/96, Page 2

The public records were also searched for Reports of Receipts and Disbursements filed by Senator LAUTENBERG from 1990 to the present. The following documents were obtained:

(1) Two (2) computer pages listing the Report of Receipts and Disbursements with microfilm location for reporting year 1989-1990.

(2) One (1) computer page listing the Report of Receipts and Disbursements with microfilm location for reporting year 1991-1992.

(3) Three (3) computer pages listing the Report of Receipts and Disbursements with microfilm location for reporting year 1993-1994.

(4) One (1) computer page listing the Report of Receipts and Disbursements with microfilm location for reporting year 1995-1996.

(5) Twelve (12) computer pages listing the Report of Receipts and Disbursements with microfilm location for reporting year 1991-1992 listing Section 5.

(6) Forty-one (41) computer pages listing the Report of Receipts and Disbursements with microfilm location for reporting year 1993-1994 listing Section #5. This print-out does not contain the entire listing for non-party and other committees due to a computer printer error.

(7) Two (2) computer pages from the individual contributor list with references to SEACREST for reporting year 1989-1990.

(8) Two (2) computer pages from the individual contributor list with references to SEACREST for reporting year 1991-1992.

(9) Two (2) computer pages from the individual contributor list with references to SEACREST for reporting year 1993-1994.

(10) Two (2) computer pages from the individual contributor list with references to SEACREST for reporting year 1995-1996.

58C-NY-256647

Continuation of FD-302 of FEDERAL ELECTION COMMISSION, On 1/3/96, Page 3

There was no reference to SEA CREST TRADING COMPANY in the above referenced documents.

(03/31/95)

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## FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 01/17/1996

**To:** NEW YORK

**From:** WFO

C-20 NVRA

**Contact:** SA [REDACTED]

**Approved By:** [REDACTED]

**Drafted By:** [REDACTED]

**File Number(s):** 58C-NY-256647 (Referred Upon Completion)

**Title:** [REDACTED]

UNITED STATES SENATOR FRANK LAUTENBERG;  
CFPO - LEGISLATIVE;  
OO:NY

**Synopsis:** Results of search of Federal Election Commission (FEC) records.

**Reference:** NY EC to WFO dated 12/1/95. WFO telcal to NY Case Agent on 1/4/96.

**Enclosures:** One original and two copies of an FD-302 for the search of documents at the FEC. Three photocopied pages from the Dun & Bradstreet, Million Dollar Directory 1995 Series. Sixty-eight (68) pages of computer print-outs of Senator LAUTENBERG's report of receipts and disbursements of campaign funds covering reporting period 1990 to the present. One copy of the June 1994 FEC Campaign Laws compiled by the FEC. One copy of the 1995 Title 11, Code of Federal Regulations.

**Details:** On January 3, 1996, a search was conducted at the FEC for information concerning the SEA CREST TRADING COMPANY and possible connections to Senator LAUTENBERG and his campaign via campaign contributions. A review of the Dun & Bradstreet Million Dollar Directory revealed a listing for SEA CREST TRADING OF CONNECTICUT INC., 111 Mill St., Greenwich, Connecticut. Officers for SEA CREST TRADING were as follows:

President	-	<u>LAZAR BERKOVITS</u>
Secretary/Treasurer	-	<u>LOIS KATZ</u>
Vice-President	-	<u>MARK BERKOVITS</u>
Vice President	-	<u>PETER EYTEL</u>
Comptroller	-	<u>STANLEY A. BRILL</u>

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58C/NY 256647-8

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 25 1996	
FBI - NEW YORK	

To: NEW YORK From: WFO  
Re: 58C-NY-256647, 01/17/1996

The officer's names were run through the individual contributor's lists and met with negative results.

A review of the Dun & Bradstreet Million Dollar Directory also revealed a listing for SEA CREST CONSTRUCTION CORPORATION, 157 Albany Avenue, Freeport, New York. Officers for SEA CREST CONSTRUCTION were as follows:

President	-	<del>JOSEPH SCALAMANDRE</del>
Secretary/Treasurer	-	<del>FRED SCALAMANDRE</del>
Comptroller	-	<del>MARTY MCCARTHY</del>

The officer's names were run through the individual contributor's lists and met with negative results.

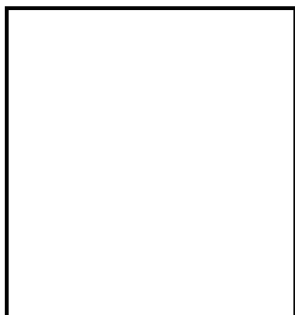
For information of receiving office, the computer print-outs assist in locating microfilm records. This microfilm contains the reports of receipts and disbursements of campaign contributions and funds. Section #1 of the print-out lists the Statement of Organization made by the candidate. Section #2 through #4 contain the authorized committees by the candidate. Section #5 lists the names and monetary amounts of contributions made by non-party and other committees to the campaign. The names SEA CREST, SEACREST and SEA CREST TRADING were searched in the contributor lists but this search met with negative results.

There being no additional investigation required of this division at this time, WFO considers captioned matter RUC.

11/3/96

58C/ny-2566 47-12

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**SERIES**

**1995**

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**D-U-N-S 02-052-1837**  
**SDV INC (CA)**  
 5316 Kearny Mesa Rd, San Diego, CA 92111-1802  
 Tel (619) 279-9700 *Founded/Ownership* 1966, 1976  
 Sales 22.3MM *Emp* 60  
*Bank* First Interstate Bank of California, San Diego, CA  
*SIC* 5511 Automobiles, new & used.  
 \*Wesley G Hinkle *Pr*  
 \*Mary Wheller *Sec*  
 \*Stephen Hinkle *VP*

**D-U-N-S 08-766-0080**  
**SDW ENTERPRISES INC (TX)**  
**KAWASAKI CITY**  
 1516 W Irving Blvd, Irving, TX 75061-7225  
 Tel (214) 438-9425 *Founded/Ownership* 1967  
 Sales 3.8MM *Emp* 12  
*Bank* Inwood National Bank, Dallas, TX  
*SIC* 5571 5551 Motorcycle dealers; Jet skis.  
 \*Sam White *Pr*  
 \*Ricky Trotter *Sec*  
 \*Cynthia White *VP*

**D-U-N-S 02-646-3927**  
**SDX CORP (NC)**  
**SDX ELECTRONICS**  
 1906 Riverside Dr, Asheville, NC 28801-1644  
 Tel (704) 252-8330 *Founded/Ownership* 1981  
 Sales 15.3MM *Emp* 180  
*Accts* Kledis & Co CPA  
*SIC* 3679 4226 Electronic circuits; Special warehousing & storage.  
 \*P W Bartsch Sr *Ch Bd Tr*  
 \*Donald Dixon *Pr*  
 Herman Baer *VP Plnt Mgr*  
 Vince Putrili *VP Sls*  
 Alice Reagan *Off Mgr*  
 Wally French *Pur Mgr*

**SDX ELECTRONICS**  
*See SDX CORP*

**D-U-N-S 08-228-1899**  
**SE CORP OF MICHIGAN**  
**SIMON & SONS**  
 11731 E 8 Mile Rd, Warren, MI 48089-3146  
 Tel (810) 774-9202 *Founded/Ownership* 1991  
 Sales 25MM *Emp* 350  
*SIC* 5541 5411 Filling stations, gasoline; Convenience stores, independent.  
 \*Ramzl Simon *Ch Bd*  
 \*Fawzi Simon *Pr*  
 \*Fawaz Simon *Sec Tr*  
 \*Frank Simon *Sec Tr*  
 \*Falz Simon *VP*

**D-U-N-S 61-272-1019**  
**SE TECHNOLOGIES INC (PA)**  
*(Suby of VANADIUM ENTERPRISES CORP)*  
 98 Vanadium Rd, Bridgeville, PA 15017-3003  
 Tel (412) 221-1100 *Founded/Ownership* 1989  
 Sales 31.7MM *Emp* 500  
*SIC* 8711 8744 7371 Engineering services; Facilities support services; Computer software development & applications.  
 \*Alexis Tsaggaris *Pr CEO*  
 \*Bal Gupta *Ex VP Sec*  
 Paul Fallert *Tr*  
*Board of Directors:* Matthew D Schneider.

**D-U-N-S 05-134-4222**  
**SE-GO INDUSTRIES INC (FL)**  
**SECURITY ALUMINUM WINDOWS & DOORS**  
 5100 NW 72nd Ave, Miami, FL 33166-5625  
 Tel (305) 591-8990 *Founded/Ownership* 1969  
 Sales 17.6MM *Emp* 270  
*Bank* Barnett Bank of South Florida NA, Hialeah, FL  
*Accts* Spear Safer Harmon & Co  
*SIC* 3442 Sash, door or window: metal; Metal doors.  
 \*Selig Golen *Pr*  
 \*Shirley Golen *Sec*  
 \*Sharon Golen-Glick *Tr*  
 \*Ken Golen *VP*  
 Larry Block *Cont*  
 Trevor Thompson *Asst Cont*

**D-U-N-S 05-021-8767**  
**SE-MA-NO ELECTRIC COOPERATIVE (MO)**  
 Business Hwy 5 N, Mansfield, MO 65704  
 Tel (417) 924-3243 *Founded/Ownership* 1945  
 Sales 3.6MM *Emp* 17  
*Bank* Southern Missouri Bank, Mansfield, MO  
*SIC* 4911 Distribution, electric power.  
 Lee Binley *Mgr*

**SEA**  
*See SCIENCE & ENGINEERING ASSOCIATES INC*

**SEA**  
*See SEA INC OF DELAWARE*

**D-U-N-S 13-053-3177**  
**SEA B MINING CO INC (VA)**  
*(Suby of THAMES DEVELOPMENT LIMITED)*  
 4448 W Main St, Lebanon, VA 24266-4000  
 Tel (703) 889-6000 *Founded/Ownership* 1984  
 Sales 28.4MM *Emp* 183  
*SIC* 1221 Bituminous coal & lignite-surface.  
 \*Gerald R Spindler *Pr*  
 \*Florence Verrier *Sec*  
 \*James Hartough *Tr VP*  
 W B Perkins *Asst Cont*

**D-U-N-S 05-161-0715**  
**SEA BANKS MOTEL**  
 4200 S Ocean Blvd, Myrtle Beach, SC 29577-4743  
 Tel (803) 448-2434 *Founded/Ownership* 1972, 1983  
 Sales 57.5M *Emp* 10  
*Bank* Wachovia Bank of South Carolina NA,

**SEA KING V INC 4583**

**D-U-N-S 05-152-5178**  
**SEA GATE TRAVEL AGENCY INC (NY)**  
450 7th Ave Ste 1202, New York, NY 10123-0019  
Tel (212) 594-5860 Founded/Ownrshp 1947, 1956  
Sales 38.9MM Emp 120  
Bank Atlantic Bank of New York, New York, NY  
SIC 4724 Travel agencies.  
\*Norman Grup Pr  
\*Victor Ascrizzi VP

**SEA GEAR STORE**  
See DOC FREEMAN'S INC

**SEA GROUP**  
See UNIVERSAL GROUP INC

**D-U-N-S 00-227-5600 EXP**  
**SEA GULL LIGHTING PRODUCTS INC (PA)**  
**WOODRIVER**  
301 W Washington St, Riverside, NJ 08075-4142  
Tel (609) 764-0500 Founded/Ownrshp 1919, 1946  
Sales 46.5MM Emp 600  
Bank Bank of Boston, Boston, MA  
SIC 3645 Residential lighting fixtures..  
\*Martin Hirsch Pr  
\*Edwin N Solomon CEO Sec Tr  
\*Charles E Zaccaria Cont

**D-U-N-S 02-669-1303 EXP**  
**SEA HAWK SEAFOOD INC (AK)**  
5 Harbor Dr, Valdez, AK 99686  
Tel (907) 835-4837 Founded/Ownrshp 1980  
Sales 10.7MM Emp 20  
Bank National Bancorporation of Alaska, Valdez, AK  
Accts Price Waterhouse LLP  
SIC 2092 Seafoods, fresh; prepared; Seafoods, frozen; prepared.  
\*Raymond L Cesarini Pr  
\*Lasetta Montgomery Ex VP  
\*Sandra Tavanis Sec Tr

**D-U-N-S 19-327-7654 EXP**  
**SEA INC OF DELAWARE (DE)**  
**SEA**  
(Suby of DATAMARINE INTERNATIONAL INC)  
7030 220th St SW, Mountlake Terrace, WA 98043-2125  
Tel (206) 771-2182 Founded/Ownrshp 1975, 1986  
Sales 4.2MM Emp 56  
Bank Seattle First National Bank, Seattle, WA  
SIC 3663 Marine radio communications equipment; Mobile communication equipment.  
\*David Brown Ch Bd  
\*David C Thompson Pr CEO

**D-U-N-S 00-797-7531**  
**SEA ISLAND BANK (CA)**  
(Suby of SYNOVUS FINANCIAL CORP)  
2 E Main St, Statesboro, GA 30458-4966  
Tel (912) 489-8661 Founded/Ownrshp 1901, 1991  
Sales NA  
Bank NationsBank of Georgia NA, Atlanta, GA  
SIC 6022 State commercial banks.  
\*David H Averitt Pr  
\*Julian I Deal Ex VP  
\*Charles R Burnett Sec

**D-U-N-S 00-692-6562**  
**SEA ISLAND CO INC (CA)**  
**CLOISTER THE**  
100 First St, Sea Island, GA 31561  
Tel (912) 638-3611 Founded/Ownrshp 1926  
Sales 61.4MM Emp 1,000  
Accts Deloach & Co  
SIC 7011 7992 0781 5813 6552 5992 Resort hotel; Public golf courses; Landscape planning services; Drinking places; Subdividers & developers; Florists.  
\*Alfred W Jones Jr Ch Bd  
\*Alfred W Jones III Pr  
\*Dennie L McCrary Sec Tr VP  
\*J Dewey Benefield VP  
\*Edward T Wright Jr VP  
Board of Directors: T M Baumgardner, John Gilbert, Howard C Jones, Marfanna J Kuntz, James McGwinney, Katherine J O'Conner, James Williams.

**ISLAND LANDSCAPE CENTER DIV** Nurseries & garden centers; Hardware.

**D-U-N-S 09-759-9567**  
**SEA ISLE GIFTS**  
1216 S Virginia Dare Trail Hwy 12, Kill Devil Hills, NC 27948  
Tel (919) 441-7206 Founded/Ownrshp 1978  
Sales 165M Emp 3  
Bank Centura Bank, Manteo, NC  
SIC 5947 6512 Gift shop; Shopping center, property operation only.  
\*Elizabeth Ann Wescott Pt  
\*Fred Wescott Pt

**D-U-N-S 62-140-5752**  
**SEA ISLE OWNERS INC (NY)**  
3901 Nostrand Ave, Brooklyn, NY 11235-2150  
Tel (718) 833-6600 Founded/Ownrshp 1982  
Sales 1.3MM Emp 4  
Bank Chase Manhattan Bank NA, Flushing, NY  
Accts Polansky Bennett Sage  
SIC 6531 Cooperative apartment manager.  
\*Mark Fisherman Pr  
\*Gerald Kantor Sec Tr  
\*Lee Edelman VP  
\*Joseph Fanale VP

**SEA ISLE SPORTSWEAR**  
See NORMINLI SPORTSWEAR CORP

**D-U-N-S 06-901-8497**  
**SEA KING V INC (MD)**  
**CRAB SHANTY**  
410 Plumtree Dr, Elllicott City, MD 21042-3899  
Tel (410) 465-9660 Founded/Ownrshp 1978



**D-U-N-S 02-052-1837**

**SDV INC (CA)**  
5316 Kearny Mesa Rd, San Diego, CA 92111-1802  
Tel (619) 279-9700 *Founded/Ownership 1966, 1976*  
Sales 22.3MM *Emp 60*  
Bank First Interstate Bank of California, San Diego, CA  
SIC 3551 Automobiles, new & used.  
\*Wesley G Hinkle Pr  
\*Mary Wheller Sec Tr  
\*Stephen Hinkle VP

**D-U-N-S 08-766-0080**

**SDW ENTERPRISES INC (TX)**  
KAWASAKI CITY  
1516 W Irving Blvd, Irving, TX 75061-7225  
Tel (214) 438-9325 *Founded/Ownership 1967*  
Sales 3.8MM *Emp 12*  
Bank Inwood National Bank, Dallas, TX  
SIC 5571 5551 Motorcycle dealers; Jet skis.  
\*Sam White Pr  
\*Ricky Trotter Sec  
\*Cynthia White VP

**D-U-N-S 02-646-3927**

**SDX CORP (NC)**  
SDX ELECTRONICS  
750 Riverside Dr, Asheville, NC 28801-1644  
Tel (704) 252-8325 *Founded/Ownership 1981*  
Sales 15.3MM *Emp 180*  
Accts Kleidts & Co CPA  
SIC 3679 4226 Electronic circuits; Special  
welding & storage.  
\*P W Bartsch Sr Ch Bd Tr  
\*Donald Dixon Pr  
Herman Baer VP Plant Mgr  
Vince Putrifer VP Sls  
Alice Reagan Off Mgr  
Wally French Pur Mgr

**SDX ELECTRONICS**  
See SDX CORP

**D-U-N-S 80-228-1899**

**SE CORP OF MICHIGAN**  
SIMON & SONS  
11731 E 8 Mile Rd, Warren, MI 48089-3146  
Tel (810) 774-9202 *Founded/Ownership 1991*  
Sales 25MM *Emp 350*  
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\*Ramzi Simon Ch Bd  
\*Fawzi Simon Pr  
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\*Frank Simon Sec Tr  
\*Faiz Simon VP

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Facilities support services; Computer software  
development & applications.  
\*Alexis Tsaggaris Pr CEO  
\*Bal Gupta Ex VP Sec  
\*Paul Fallert Tr  
Board of Directors: Matthew D Schneider.

**D-U-N-S 05-134-4422**

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SECURITY ALUMINUM WINDOWS & DOORS  
100 NW 72nd Ave, Miami, FL 33166-5625  
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Sales 17.6MM *Emp 270*  
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Accts Spear Safer Harmon & Co  
SIC 3442 Sash, door or window: metal; Metal  
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Shirley Golen Sec  
Sharon Golen-Glick Tr  
Ken Golen VP  
Larry Block Cont  
Trevor Thompson Asst Cont

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Tel (417) 924-3243 *Founded/Ownership 1945*  
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Bank Southern Missouri Bank, Mansfield, MO  
SIC 4911 Distribution, electric power.  
Lee Binley Mgr

**SEE SCIENCE & ENGINEERING ASSOCIATES INC**

**SEE SEA INC OF DELAWARE**

**D-U-N-S 13-053-3177**

**SEA B MINING CO INC (VA)**  
Suby of THAMES DEVELOPMENT LIMITED  
8 W Main St, Lebanon, VA 24266-4000  
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Sales 28.4MM *Emp 183*  
SIC 1221 Bituminous coal & lignite-surface.  
\*Gerald R Spindler Pr  
\*Dorance Verrier Sec  
\*James Hartough Tr VP  
\*B Perkins Asst Cont

**D-U-N-S 05-161-0715**

**S OAKS MOTEL**  
400 S Ocean Blvd, Myrtle Beach, SC 29577-4743  
(803) 448-2434 *Founded/Ownership 1972, 1983*  
Sales 575M *Emp 10*  
Bank Wachovia Bank of South Carolina NA,  
Charlotte, NC

**SEA KING V INC 4583**

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**SEA GATE TRAVEL AGENCY INC (NY)**  
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\* Martin Hirsch Pr  
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Charles E Zaccaria Cont

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SIC 6022 State commercial banks.  
\* David H Averitt Pr  
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SIC 7011 7992 0781 5813 6552 5992 Resort hotel; Public golf courses; Landscape planning services; Drinking places; Subdividers & developers; Florists.  
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\* Joseph Fanale VP

**SEA ISLE SPORTSWEAR**  
See NORMINJIL SPORTSWEAR CORP

D-U-N-S 06-901-8497  
**SEA KING V INC (MD)**  
CRAB SHANTY  
410 Plumtree Dr, Ellcott City, MD 21042-3899  
El (410) 465-9660 Founded/Ownrshp 1978

ISC-NY-256647-13

Serials

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/19/96

[redacted] date of birth [redacted] home address [redacted]  
[redacted] telephone number [redacted]  
[redacted] was interviewed at the [redacted]  
[redacted]  
[redacted] voluntarily  
provided the following information:

b6  
b7C  
b7DBy way of background, [redacted]  
[redacted]

In approximately February 1995, [redacted] accompanied  
[redacted] and [redacted] to a meeting with United States  
Senator (New Jersey) FRANK LAUTENBERG's [redacted]  
[redacted] During this meeting, [redacted]  
of the Dominican drug cartel and Sea Crest Trading Company in the  
Washington Heights, New York area [redacted] noted  
that the Dominican cartel and Sea Crest Trading Company had  
expanded their criminal operations into Patterson and Pasaic, New  
Jersey and were victimizing the Hispanic community via illegal  
activities including loansharking, weapons running and illegal  
immigration scams.

b6  
b7C

[redacted]

b6  
b7C  
b7DThey discussed the possibility of [redacted]  
[redacted]  
[redacted] said  
[redacted] also discussed his belief that various politicians hadInvestigation on 1/5/96 at Freehold, New JerseyFile # 58C/NY-256647 -13

by SA [redacted]

SA [redacted]

Date dictated 1/19/96b6  
b7C

58C/NY-256647

Continuation of FD-302 of [REDACTED], On 1/5/96, Page 2 b6 b7C

received money from the Dominican cartel. [REDACTED] seemed to be very interested in this information, but [REDACTED] noted that [REDACTED] did not provide her with the actual names of the politicians who he maintains accepted money from the cartel. However, [REDACTED] concerning the Dominican cartel and Sea Crest Trading Company.

At approximately this point during the meeting they were joined by an individual [REDACTED] believes was named [REDACTED]. [REDACTED] was accompanied by a friend who's name [REDACTED] could not recall. [REDACTED] who had some information concerning the illegal activities of Sea Crest Trading Company and the Dominican cartel in New Jersey. [REDACTED] noted that [REDACTED] was very polite to [REDACTED] during the meeting and listened to his story.

At the conclusion of the meeting [REDACTED] said she had been provided with a lot of information and she needed time to digest it all. She told them she would get back to them soon. [REDACTED] noted that "soon turned into months."

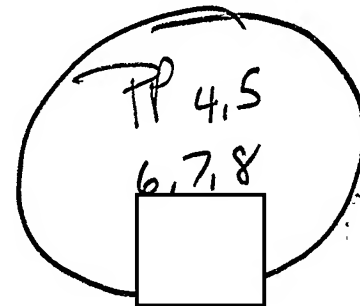
Approximately several months later, [REDACTED] and [REDACTED] stopped by LAUTENBERG's office unannounced to see [REDACTED]. During their subsequent conversation they asked her if she had looked into the information they had previously provided to her. [REDACTED] told them that she had talked to LAUTENBERG about Sea Crest Trading Company, the Dominican cartel and the other matters discussed during their previous meeting. She said she had contacted an attorney in the [REDACTED] administration about the matter. She also said that she was still looking into the [REDACTED]

b6  
b7C  
b7D

During this unannounced meeting with [REDACTED] recalls [REDACTED] saying he was tired of the whole thing. [REDACTED] does not recall [REDACTED] asking [REDACTED] if she remembered telling him [REDACTED] during a prior meeting between only [REDACTED] and [REDACTED] that either she and/or [REDACTED]

On 1/5/96 [redacted] was interviewed by SA's [redacted] and [redacted]. During that interview [redacted] provided numerous documents to the interviewing agents. These documents were either incorporated into the interview FD-302 or listed within the FD-302. Attached are the original documents provided by [redacted].

b6  
b7C



58C/NY-256647-

14

SEARCHED	[redacted]	INDEXED	[redacted]
SERIALIZED	[redacted]	FILED	[redacted]
FBI - NEW YORK		[redacted]	

NATIONAL  
SECURITY COMMITTEE  
CHAIRMAN,  
PERSONNEL SUBCOMMITTEE  
RESEARCH AND DEVELOPMENT  
SUBCOMMITTEE

PERMANENT  
SELECT COMMITTEE ON  
INTELLIGENCE

CHAIRMAN,  
SUBCOMMITTEE ON TECHNICAL  
AND TACTICAL INTELLIGENCE

Congress of the United States  
House of Representatives



ROBERT K. DORNAN

July 3, 1995

46TH DISTRICT, CALIFORNIA

DISTRICT OFFICE:  
300 PLAZA ALICANTE, SUITE 360  
GARDEN GROVE, CA 92640  
(714) 971-9292

WASHINGTON, DC OFFICE:  
1201 LONGWORTH BUILDING  
WASHINGTON, DC 20515  
(202) 225-2965

CONGRESSIONAL TASK FORCES:  
NARCOTICS ABUSE AND  
CONTROL CAUCUS  
PROPERTY RIGHTS COALITION  
HUMAN RIGHTS CAUCUS

*A Violent Crime Is Committed Every 16 Seconds*

Dear Colleague:


In 1993, the last year for which statistics are available, nearly two million violent crimes -- approximately one every 16 seconds -- were committed in the United States. Our nation's brave law enforcement officers, at great personal risk, are on the front lines battling this threat to society and all law-abiding citizens.

A total of 107 federal officers were assaulted with a firearm in 1993, 24 of whom were injured or murdered. This statistic does not include state or local officers. Regardless, the number has been increasing since 1989 when only nine officers were endangered.

The National Police Defense Foundation has developed "Operation Safe Cop," a program designed to help combat this growing problem by offering a sizable reward for information leading to the arrest and conviction of individuals who have assaulted law enforcement officers with a firearm. "Operation Safe Cop" protects our law enforcement officers so that they can more efficiently defend the general public and create a safe environment for the nation. More information on this program, reprinted from the publication *WANTED - The Nation's Most Dangerous Criminals*, is on the reverse side of this letter.

I urge you to review this information about "Operation Safe Cop" and share this worthwhile program with your constituents and friends. As William Pitt once said, "Where law ends, tyranny begins." Let's make sure we never give tyranny the opportunity.

Best regards,

  
Robert K. Dornan  
U.S. Congressman

26

27

Let facts be submitted  
to a candid world:  
— Declaration of Independence —

# NORTH JERSEY Herald News

## ★ WEATHER

Windy today with a mix of sun and clouds. Highs will be around 60. Tonight, partly cloudy and brisk with lows in the lower 40s.

SUNDAY, OCTOBER 15, 1995

Passaic County, New Jersey Est. 1872 Vol. 123, No. 286

50 CENTS

## PROJECT BODEGA AND THE DOMINICAN DRUG CARTEL

# Loan Sharks Target Ethnic Businesses

First of Four Parts

By RICK MURRAY

Special to the Herald & News

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The Dominican drug cartel, authorities say, has muscled its way into North Jersey business districts — not just to sell narcotics on shadowy corners, but to loan-shark its way into legitimate grassroots capitalism.

Public records also show that suspected front organizations for the cartel have been operating rather openly in Passaic County since the mid-80s.

According to Uniform Commercial Code files in the county registrar's office, at least 15 ethnic businesses, mostly groceries in Paterson and Passaic, have taken out loans through these suspected corporate fronts.

The main suspect corporation is Sea Crest Trading with offices in the Bronx and Greenwich, Conn.

Documents obtained by the North Jersey Herald & News show that Sea Crest has long been the target of U.S. Drug Enforcement Administration investigations into the laundering and leveraging of drug money.

Other investigative documents recently entered into the Congressional Record refer to similar front activity in Bergen, Union, Essex and Middlesex counties. A good deal of intelligence was also gathered from "Project Bodega," a lengthy New York City investigation into the Dominican Drug Cartel in the late '80s.

And before it was disbanded, the Pennsylvania Crime Commission authored an elaborate profile of the Dominican cartel operating in Pennsylvania, New York and New Jersey. The profile confirmed that the cartel regularly uses small ethnic businesses as outlets, or victims, for its various rackets.

Luis Nunez, owner of Cunedos Meat Market at 508 Broadway, Paterson, is the only one of the local Sea Crest borrowers to fight the suspected lender in state Superior Court. Nunez claims he was conned into borrowing laundered drug money at loan-shark rates.

"Unfortunately, most Hispanic bodegas and restaurants are forced to pay high-interest-rate loans to Sea Crest since banks make it almost impossible to obtain a legitimate bank loan," Nunez said in a sworn statement. Another Paterson grocer speaks of Sea Crest also, but only under the condition of anonymity. He is succinct in expressing his feelings about the lender. "I'm afraid," he says.

Still another grocer, also fearing retribution, noted that a Sea Crest loan caused her "to lose my house, my car and I didn't even have enough money to stock my shelves."

One day in September, while at the Newark office of his lawyer Pat Toscano, Nunez expressed second thoughts: "My accountant, he told me they kill you, no problem. For \$1,000, they can get people to do it. I don't want no problem."

A computer search of public finance records by the Jewish Action Alliance — fearing the funneling of drug money to Arab terrorists — has turned up a Sea Crest broker in the Paterson area called Prospect Park Financial and Income Tax Service.

Luis Rojas, a principal in Prospect Park Financial, turns out to be the accountant to whom Nunez referred.

During a brief interview in his office recently, Rojas shrugged upon being told of allegations against Sea Crest and Nunez's fears.

"I don't know anything about any of this," said Rojas. "As far as I know, Sea Crest is just another source (of money) for borrowers."

Mark Berkowitz, a vice president at Sea Crest, strongly denies his company is involved in any wrongdoing, saying he was unaware of any DEA investigation.

"We're just a small, legitimate business," he said. "Our rates are high only because we have high-risk borrowers."

Meanwhile, Len Marsh, head of the organized crime unit in the Passaic County Prosecutor's Office, said he had never heard of Sea Crest Trading.

Joe Occhipinti, a 45-year-old Manalapan resident and father of three teenage girls, will tell you all you want to know about Sea Crest.

He swears it was this suspected cartel front that orchestrated an elaborate frame-up on civil rights charges that resulted in his seven-month stint in prison and the loss of his 22-year career in federal law enforcement.

Even detractors agree that Occhipinti, among the most decorated agents in the history of the U.S. Immigration and Naturalization Service, is an expert in Dominican crime, and was, until his arrest, one of its most ardent and capable adversaries.

"They wanted me out of the way," says the former INS agent, who recruited Nunez to take on the alleged cartel front.

When it comes to Sea Crest's alleged connection to the Dominican mob, Occhipinti says no one has to take his word for it, or that of his many influential supporters, which include Rep. James Traficant, D-Ohio, and Staten Island Borough President Guy Molinari.

The DEA documents speak for themselves.

One written by DEA Special Agent John Dowd to his superiors in 1991 says Sea Crest was then "under investigation by the DEA and Manhattan District Attorney's Office in a joint investigation of Capital National Bank (of New York City). ... Special Agent Dowd explained the role of Sea Crest in suspected shylocking, extortion, and drug smuggling in the Bronx and Washington Heights area. The scheme involved numerous 'bodegas' in the aforementioned areas."

Neither the DEA nor the Manhattan District Attorney's Office would comment on the status of any Sea Crest investigation.

Molinari has conducted an independent investigation of his own, however, in which many informants offered sworn testimony as to how Sea Crest functions.

The Molinari probe corroborated other investigations, which have defined the cartel as a loosely though effectively knit organization with bases both in New York City and the Dominican Republic.

"Many Dominican businessmen have made cash investments into Sea Crest in exchange for getting monthly dividends," Domingo Antonio Lovera, a former New York City bodega owner and Sea Crest borrower, told Molinari's investigators in a sworn statement.

"Sea Crest uses a variety of lawyers who make out illegal contracts in order to defraud the IRS. ... They generally charge 4 points or more a week, covering principal and illegal interest.

"Sea Crest not only lends the money for the purchase of the store," Lovera said, "but insists that any store fixtures, including refrigerators, lighting, shelves, air conditioners, cash registers, etc. must be obtained through Sea Crest's suppliers at inflated prices.

"In the event you default on your loan for four weeks," he added, "Sea Crest will immediately take possession of the store and its property. ... It is my understanding that Sea Crest loans have financed approximately 2,000 bodegas and other businesses in the five boroughs of New York, as well as Jersey City, Passaic and West New York."

Hector Rodriguez, another of Occhipinti's Paterson informants, tells an even more chilling tale.

While working undercover in the Molinari investigation, Rodriguez posed as a New Jersey drug dealer interested in laundering \$100,000 of drug cash by purchasing and operating a bodega in Perth Amboy.

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"On February 10, 1992, I went to the Sea Crest Trading Company at 4748 Bronx Boulevard and met with Pedro Dominquez." Rodriguez said in a sworn statement entered by Traficant into the Congressional Record. "I told him things were hot on the street. For example, last week I had lost \$30,000 on a kilo of cocaine, which I had to throw away to avoid being arrested."

"During our conversation, Pedro removed his coat and took out two guns, which he placed in a desk drawer. He called in his partner, an American man, who spoke English with an Italian accent. Mr. Dominquez acted as a translator, explained to the owner my situation."

"The owner told me he didn't want to lend me the money for a bodega in Perth Amboy, N.J., because he didn't have any accounts there. However, he told me there were several bodegas he could get for me in Newark for the same price."

A few days later Rodriguez phoned and begged off the deal, explaining he had to return to the Dominican Republic because a relative was sick.

"That's absolutely not true," says Berkowitz, when apprised of the informants' allegations. "They (Molinari investigators) act like we're this great big organization with tentacles everywhere. We're being castigated for reasons unknown to me."

He said he knew a Pedro Dominquez, but only in passing, as just one of many brokers with whom his company does business.

On that day in September at his attorney's office, Nunez is advised that the judge in his case has recommended a compromise, whereby Nunez would pay back Sea Crest the loan principal, but would be forgiven the 44-plus percent interest rate.

Nunez decided to go for the compromise deal and got a ride home from Occhipinti. In the car, Nunez looked at his thumbs, and in a soft voice, said in English, "I'm worried, huh?"

"Don't worry," said Occhipinti. "You did the right thing."

**MONDAY:** *Examining the Dominican drug cartel, the workhorse of the international drug trade.*



Let facts be submitted  
to a candid world.  
— Declaration of Independence —

# NORTH JERSEY Herald News

## ★ WEATHER

A mix of sun and clouds today and continued breezy. Highs only in the mid-50s. Tonight, partly cloudy and brisk with lows in the upper 30s.

MONDAY, OCTOBER 16, 1995

Passaic County, New Jersey Est. 1872 Vol. 123, No. 287

35 CENTS

## PROJECT BODEGA AND THE DOMINICAN DRUG CARTEL

# Narcotics Dealers Trade on Racism

Second of Four Parts

By RICK MURRAY

Special to the Herald & News

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The Dominican Drug Cartel, authorities say, is the workhorse of the narcotics trade.

It is a workhorse that, while keeping a low profile, has lately begun to gallop like a thoroughbred.

During the 1980s, the news media tended to focus on the multibillion-dollar Colombian cartels based in that country's tough, class-divided cities such as Medellin and Cali.

Colombian dealers became known for a ruthlessness that transcended anything law enforcers had seen before.

In the metropolitan New York City area, kilos of cocaine poured through ports and airports in New York and Newark.

But Colombian dealers rarely bother with the dangerous and dirty details of street sales. Authorities say they leave all that to poor whites, blacks and Puerto Ricans.

To manage this thriving retail trade, though, they needed middle managers. And they found Jamaicans willing but fitful and unreliable.

Enter the workhorse.

Investigators who delve into ethnic organized crime will confide anonymously that their work is indirectly stymied by a hesitancy among the American people. It is a phenomenon, they say, that the United States faced in its slow recognition of the existence of the Italian-American La Cosa Nostra.

The problem is that Americans, regardless of where they are on the political spectrum, feel uncomfortable attributing large-scale criminal activities to a specific ethnic group.

"Nobody wants to be branded a racist," said one investigator. "Nobody wants to toss out a barrel of good apples for the sins of a very rotten few."

This sensitivity, however, investigators have said, is not exhibited by the dealers. Racism — or at least, ethnocentricity — is clearly woven through the fabric of the drug-trafficking culture.

The high-level Colombian suppliers look down on and use the mid-level Dominicans. The Dominicans look down on and use poor blacks, whites and Puerto Rican street dealers.

And so, blacks and Puerto Ricans, traditional targets of discrimination, become its target yet again, say investigators, because "everyone's so afraid of being politically incorrect in targeting the bad guys who use civil rights laws to keep cops at bay."

Fear of prejudice echoed through a recent gathering of leading citizens of Dominican nationality in Passaic County, who talked proudly of the many peaceful and constructive contributions made by their countrymen to the greater community. They said any criminal element in their midst was negligible.

"So many people, they just try for a new life," says Raphael Guzman, 60, a Dominican native who has worked as a warehouse worker in the United States for 25 years and writes for leading area Hispanic journals.

"America is a nation of immigrants. We are just immigrants like all the rest," says another Dominican native, Jose Ruiz, who works in the Passaic area as a shipping executive.

In Paterson, the Passaic County seat, Bill McElrath, head of the police department's narcotics unit, says Dominicans as a group "don't commit more crime than any other group."

He adds that the city's many Dominican-run grocery stores — the types of establishments law enforcers generally associate with organized crime activity — have produced few incidents involving drug-related activity.

But McElrath acknowledges intelligence about crime activity is difficult to obtain from such a tight-knit community that has the added insulation of a language barrier.

The lack of good intelligence has been a stumbling block for state investigators, too, but relying on good informants and officers with ethnic backgrounds they have begun to outline the threat posed by ethnic gangs.

The New Jersey State Police refer inquiries on ethnic organized crime to the State Commission of Investigation, which has identified

the Dominican Drug Cartel as among the rising stars of middle-level drug traffickers.

"This is far more serious than people just spilling over the borders," said Lee Seglem, an SCI spokesman, in a September interview. "These are organized networks of criminally based operations. It's difficult for anyone to get a grip, but it seems to be widespread."

The Garden State experienced a major influx of Dominican dealers in the late 1980s, according to an SCI report, and during that period, "persons of Dominican birth ranked second in the number of narcotics arrests in New Jersey."

The SCI has also said that "Dominican drug distribution networks are reported to be active in Paterson, Jersey City, Union City, West New York, Atlantic City, Camden and Passaic.

"Dominican crime groups," said the SCI, "have become adept at falsifying documents and many of those of Hispanic origin try to pass themselves off as Puerto Rican, while those of African origin often claim to be Cuban."

"Dominicans are involved in a Spanish lottery operation based in New York City," added the SCI. "Many of these operatives are using Hudson, Bergen and Passaic counties as their base of operation."

A recent investigation by the North Jersey Herald & News turned up solid links between a suspected Dominican mob front corporation and numerous Passaic County businesses.

Before it folded under political pressure, the famed Pennsylvania Crime Commission wrote a lengthy profile of the Dominican Drug Cartel. Besides language, its members have much in common with the Colombian traffickers for whom they work.

"A history of political and economic instability coupled with widespread poverty have contributed to a high rate of immigration to the United States, particularly New York City," the report said. "From New York, Dominicans tend to fan out to the rest of the country."

Like the Colombians, the Dominican cartel is a highly efficient yet loosely organized conglomeration of tight, extended families. Just as the Colombians recruit assassins from the mean streets of Medellin, the Dominican dealers have reportedly set up "boot camps" to teach poor but eager young peasants how to manage crack houses once they arrive in New York.

And arrive they do. Most law enforcement officials believe there are about 1 million Dominicans currently living in the greater New York-New Jersey area. The estimate is considered conservative, not taking full account of the many illegal aliens regularly smuggled into the United States, or the number of persons born in this country of Dominican parents.

Another thing Dominican dealers have in common with Colombians is an imaginative management style.

Capt. Jack Duignan, commander of the operations division in the bureau of drug law enforcement for the Pennsylvania State Police, says he learned a lot from a big bust involving about a dozen Dominican dealers earlier this year in the Allentown-Bethlehem-Easton area.

What he learned was that the culprits were learning from the police.

"We found they used cellular phones a great deal of the time, or they never used the same phone booth twice because they were apparently aware that if we observed them using the same phone we could apply for a tap on that phone," Duignan said in a September interview.

Duignan and other law enforcers say Dominicans, like Colombians, obtain transcripts of trials involving their people who have been convicted. This way they can painstakingly review what they did wrong and what police did right and exactly how police did what they did.

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Then, there's the marketing of the drugs themselves, which for Dominican dealers based in Philadelphia, includes heroin, which is now snagging a new generation of users with purer cuts that can be smoked or snorted.

"The Dominicans have generally avoided the common practice of adulterating the cocaine as it passes from one distribution-level to the next," says the Pennsylvania commission's profile. "Until recently, the Dominican product had a street-level purity of 85 to 95 percent in some Pennsylvania communities. In short, in communities where the Dominicans move in, they beat the competition on both price and quality."

New Jersey and Pennsylvania investigators also note that the Dominicans were the ones to introduce America to crack — a gummy, cooked derivative of cocaine that hits harder and addicts users more rapidly.

"If our commission, with no public funds and with just volunteers, can deliver good information on public corruption and drug trafficking," Duignan said, "why can't the FBI and the CIA, with high-tech gear and pork-barrel funding deliver to us an America that is free from major foreign drug peddlers?"

**TUESDAY:** *Wayne man's death and resulting raids targeting cartel.*

Let facts be submitted  
to a candid world.  
—Declaration of Independence—

## ★ WEATHER

Mostly sunny today with highs 60 to 65. Clear tonight with lows in the low to mid-40s. Details, A2.

TUESDAY, OCTOBER 17, 1995

Passaic County, New Jersey Est. 1872 Vol. 123, No. 288

35 CENTS

## PROJECT BODEGA AND THE DOMINICAN DRUG CARTEL

# Wayne Man, U.S. Agent Crime War Victims

Third of Four Parts

By RICK MURRAY

Special to the Herald & News

The consensus among law enforcement people is that what happened to Joe Occhipinti can happen to any cop who gets gung-ho in the war on drugs.

The Occhipinti saga begins with the 1988 slaying of Wayne native Michael Buczek, a New York City police officer. It climaxes several years later with Occhipinti in solitary confinement at a maximum security prison.

And about in the middle of that timeline was "Project Bodega" — a series of law enforcement raids in 1988-1989 targeting small ethnic businesses in New York City, many of which were in fact harboring various rackets for the Dominican drug cartel.

Occhipinti, the U.S. Immigration and Naturalization agent who led the raids, won two dozen felony convictions and got a letter of congratulations from INS brass. But during the next three years, he endured a bizarre and sensational trial, swift conviction, then an unprecedented sentence to 37 months of hard time.

The jury ruled that he had violated a dozen defendants' civil rights by asking permission after — instead of before — he and his team conducted consensual searches on the 56 suspect businesses.

Charges of theft against Occhipinti were dropped.

In January of 1993, President Bush commuted Occhipinti's sentence after seven months.

He came home to suburban Monmouth County in ill health to his wife, Angela, and their three teenage daughters. His hair had turned gray, his 22-year-career in law enforcement, which had earned him 78 commendations, was over.

Occhipinti swears he is innocent on each of the 25 counts of the indictment. He was, he insists, framed by Dominican drug lords, as well as their powerful business and political associates.

That opinion is shared by many in the region's law enforcement community.

"The entire New Jersey law enforcement community is angered and frustrated by the course results of the (Occhipinti) investigation and trial," wrote Thomas Iskrzycki, president of the State Troopers Fraternal Association of New Jersey, in a letter to U.S. Sen. Frank Lautenberg, D-Cliffside Park, in the summer of 1992.

Dick Callaghan, president of the federal agents police union, has said that in the year prior to Occhipinti's conviction, the New York office of the Drug Enforcement Administration conducted 2,700 cases involving consensual searches, the style of investigation used by Occhipinti.

That number shrank to 500 in the year after the Occhipinti conviction, according to Callaghan.

Not only does Occhipinti say he was framed; he says he was set up for a hit.

"Picture this: I'm the first law enforcement officer in history to go to prison on civil rights charges involving no violence or corruption, and I am remanded to a prison filled with the very guys I was fighting: Dominican drug pushers. Turned out, my cell mate was a Dominican drug pusher."

Some sympathetic prison officials had him transferred to solitary confinement, but Occhipinti felt his chances would be better in a psychiatric ward. So he pretended to have a mental breakdown.

"I kept going around telling people that I liked to bite ears off, but if they were nice to me, I would leave their ears alone, at night, when they were asleep," Occhipinti recalls now with a wry smile.

### Victims of the Cartel

Occhipinti may have survived the war on drugs, but New York City officer Michael Buczek did not. Nor did investigative journalist Manual De Dios, one of many brave Dominican-Americans who had joined Occhipinti in the battle against the cartel.

De Dios was murdered, apparently by the cartel, shortly after he delivered a signed affidavit to the Occhipinti defense team in January 1992. The federal agent, by then, was already in prison.

De Dios' affidavit said:

"I interviewed numerous individuals who are members of the Federation of Dominican Merchants and Industrialists of New York. These individuals confided to me that Mr. Occhipinti had been set up by the Federation and that complaints against him were fraudulent. These individuals have indicated to me that they are in fear of their safety and, as a result, would not go public with this information."

The beginning of Occhipinti's historic fall from grace roughly coincides with the murder of Buczek, the officer from Wayne.

Buczek had been tending his beat at a housing project in upper Manhattan on the night of Oct. 18, 1988, when he saw some suspicious characters pass by.

These were drug types, in the neighborhood to rip off a rival dealer. When Buczek hailed the young men, one turned and gunned the officer down.

"It has had a devastating effect on law enforcement," says Wayne Police Chief Donald Pavlak.

"The sad thing is these guys bumped into an officer who was down the street, but the officer didn't know what had happened so he let them go," says Occhipinti.

Aware of Occhipinti's expertise in the area of Dominican organized crime, the New York City Police Department called upon the federal agent for help — not just in the case of Michael Buczek, but also in that of another officer who had been killed the same day in the same area.



Michael Buczek

The agent developed sources who led investigators to arrests in both cases. The suspect in the Buczek case was apprehended in the Dominican Republic. He later died mysteriously in the custody of Dominican police.

But now a collaboration was under way between Occhipinti's anti-smuggling team and the NYPD. And soon to grow out of that was a yearlong offensive against the cartel, the one called "Project Bodega."

Sources indicated that dozens of bodegas, cash exchange houses and travel agencies were acting as fronts for a mind-boggling array of Dominican mob activities.

There was supposedly plenty of illicit activity: drug dealing, assassination for hire, food stamp and coupon fraud, illicit long-distance phone-call hookups, contraband liquor sales, illegal money wiring ranging in the aggregate to a half-billion dollars yearly, the smuggling and harboring of Hispanic illegal aliens, gambling, loan-sharking, immigration documents forgery, illegal weapons trafficking, and cooperative arrangements that funneled money to Middle Eastern terrorists.

The probe indicated that illicit profits were apparently being cleverly laundered and leveraged through larger corporate fronts.

Ultimately, besides 25 convictions, the team conducted "38 seizures involving various types of contraband and \$248,939 in drugs and related currency," reported a congratulatory INS memo issued to the team shortly afterwards.

"It should be noted," says the memo, "that many of the defendants arrested were considered to be armed and extremely dangerous."

#### 'A Republican Conspiracy'

The political winds shifted by the spring of 1990, as an organization called the Federation of Dominican Businessmen and Industrialists led marches protesting alleged violations of civil rights during Project Bodega.

New York City Mayor David Dinkins and many in the city's Hispanic news media heeded the cry. Dinkins eventually castigated the Occhipinti team, terming its activities "a Republican conspiracy" to intimidate the Dominican immigrant community.

Occhipinti says his "Project Bodega" investigation had uncovered evidence that Federation members made illegal cash donations to the Dinkins campaign and conducted widespread voting fraud.

There is no proof that Dinkins was anything but at worst a dupe for the Federation, but his administration's influence is widely believed to have prompted the multi-count indictment against Occhipinti.

The federal agent would face trial in the federal court of New York's Southern District.

The Occhipinti defense team maintains that the complainants, all Federation members, were bribed to fabricate violations by Federation officials.

In addition, defense team members contend that the trial was marked by numerous and salient instances of prosecutorial and judicial misconduct.

Among the more glaring incongruities:

- Occhipinti had been cleared of any wrongdoing by two federal internal affairs teams.

- The judge in the case was an ardent Dinkins supporter.

- The prosecutor had been the judge's law clerk and was a close friend of her family.

- Documents show that Occhipinti's attorney was mentally ill. The judge would not allow a replacement.

- Eight months before the indictment, an informant told the same prosecutor that she had overheard two New York attorneys plotting to frame Occhipinti on civil rights charges.

- The jury foreman admitted that jurors did not fully understand what constitutes a consensual search.

- Occhipinti had informed this same prosecutor sometime prior to his indictment that certain employees in the prosecutor's office were under investigation in connection with sex and drug parties.

- After the trial, a New York City socialite said in a sworn statement that John F. Kennedy, Jr. — who gave nominal testimony against Occhipinti — had admitted in private conversation that he knew Occhipinti was "the innocent victim" of a frame-up. The socialite passed a polygraph test dealing with the Kennedy allegations. For his part, Kennedy said through a spokesman that any inquiries regarding his role in the Occhipinti case should be directed to records of his trial testimony. These records, of course, do not deal with the socialite's allegations.

Occhipinti lost not only at trial but on appeal. After a mere one-hour appeals hearing, judges had still not read defense briefs.

The Occhipinti team believes the jurists were intimidated by hundreds of members of the Federation, who had gathered outside the courthouse, threatening to riot if the verdict was overturned.

"It was about the time of the L.A. riots," says Occhipinti, "so, I guess they were just plain scared."

*Tomorrow: Narcotics cash plus narco-politics equals international intrigue.*

Let facts be submitted  
to a candid world.  
—Declaration of Independence—

# NORTH JERS Herald News

## ★ WEATHER

Mostly sunny and breezy today with highs from the mid-60s to around 70. Mostly clear tonight with lows 50 to 55. Details, A2.

WEDNESDAY, OCTOBER 18, 1995

Passaic County, New Jersey | Est. 1872 Vol. 123, No. 289

35 CENTS

## PROJECT BODEGA AND THE DOMINICAN DRUG CARTEL

# Are CIA, FBI Involved in Cover-up?

Last of Four Parts

By RICK MURRAY  
Special to the Herald & News

The terrorist bombing of the World Trade Center was financed with drug and other racket monies laundered and leveraged through small ethnic grocery stores.

What's more, terrorists right now are siphoning off more such funds, the real leader in the World Trade Center bombing has been allowed to flee capture, and all this is happening under the protection of the Central Intelligence Agency.

All this is according to many letters written by an embattled former federal agent to one of his main supporters, Rep. James Traficant, D-Ohio.

"When you take a look at what happened with Iran-Contra, a CIA cover-up of this kind is not that fantastic a thing," said Paul Marcone, spokesman for Traficant's office.

The author of the letters is Joe Occhipinti, a former immigration agent convicted in a civil rights case four years ago in New York City.

Occhipinti, of Monmouth County, now campaigns furiously to prove he was framed by Dominican drug lords and to persuade "people to wake up before we lose the war on drugs."

Occhipinti's letters detail a discussion about a company named Sea Crest Trading, which works out of Greenwich, Conn., and the Bronx, N.Y. Directly or through affiliates, Sea Crest finances numerous small ethnic businesses mostly in the New York-New Jersey area, the letters and investigators say.

This discussion, or "debriefing" as it was termed by Occhipinti, occurred between Occhipinti and a former New York City detective named Ben Jacobson, now nationally known for his investigations into food-coupon fraud.

"According to Jacobson, it was the monies generated from the Sea Crest food-coupon redemption fraud scheme that financed the bombing of the World Trade Center," Occhipinti wrote in a letter dated Jan. 7 of this year.

In another letter sent about the same time, Occhipinti reports that "according to Jacobson, Sea Crest is suspected of being the source of a two hundred million dollar a year food-coupon redemption scheme. ... Jacobson alleges that Sea Crest has been protected by the Justice Department because of an alleged CIA operation that used Sea Crest for its own needs.

"According to Jacobson and others, the CIA may have used Sea Crest to launder money for arms for the ... anti-communist group that had been fighting the Soviets in Afghanistan," writes Occhipinti. "Unfortunately, some of these monies got into the hands of Middle East terrorist groups."

It is theorized, Occhipinti says, that the CIA is not only trying to cover up unauthorized arms purchasing, but that it also finds useful having Middle East nationals congregating in certain urban business districts, where it can better monitor terrorist plots before they hatch.

The letters say the CIA and Sea Crest connection was apparently forged through anti-Castro Cuban nationals with links to both mainstream businesses as well as Dominican and other Hispanic underworld groups.

Occhipinti says he and Jacobson, acting independently of each other, have tried repeatedly to interest various federal state and even local law enforcement authorities to follow through on investigations of Sea Crest.

"But always the investigations go nowhere," he says. "At one point I spoke to former New Jersey Attorney General Robert Del Tufo and he was very interested and said that he would put the State Police on it.

"But I learned later that they backed away when they were told by the FBI that my sources weren't any good."

Occhipinti produced a letter signed by Del Tufo in which he says, "I found your comments and information very interesting and am referring them to the New Jersey State Police and the Division of Criminal Justice for further attention."

Del Tufo could not be reached for comment, and the State Police declined to comment.

Lenny Lemmer, a detective sergeant with New York City police, said recently in a sworn statement that he has encountered similar dead ends in probing the same company and its alleged drug cartel connections.

While investigating the roots of a riot in the Washington Heights section of Manhattan in 1992 — a tumult involving alleged civil rights violations by a New York City police officer — Lemmer said he was called to meet several times with FBI agents and federal prosecutors, who tried to intimidate him into abandoning any leads he might uncover about Sea Crest or anything exculpatory about Occhipinti.

Indeed, Lemmer said he was aware of "concrete evidence" about alleged Sea Crest money laundering activities in Bogota, Colombia, and conveyed this information to an FBI agent.

"I got permission from the (Drug Enforcement Administration) to show (the file) to him," Lemmer said in a sworn statement read into the Congressional Record. "The next thing you know, he never called me again. He disappeared off the face of the earth."

In a recent interview, Jacobson confirmed that proceeds from coupon fraud paid for the World Trade Center bombing, and that Sea Crest had received redemption checks signed over to it by Middle Eastern and Dominican grocers suspected of participating in such fraud.

He spoke, too, of his repeated and futile attempts to get any agency to follow through on a Sea Crest investigation.

However, he has given contradictory statements about a possible CIA link to Sea Crest or any other criminal front.

One motive for Jacobson giving contradictory information, sources say, is that he has been harassed by the Internal Revenue Service during recent days of his Sea Crest investigation.

Occhipinti, Jacobson and other investigators explain that small emerging ethnic retailers often feel pressure to participate in coupon fraud and other rackets to help pay off loanshark debts.

The coupon scam, they said, generally works like this: Someone begs, borrows and steals hundreds of pounds of newspaper coupons. These coupons are then clipped, dirtied and sent to redemption centers in the name of grocers participating in the fraud.

Once the check comes in, the grocer turns over most or all of the money to a group usually run by the loanshark that put the grocer in business.

Sea Crest has been under investigation for years in connection with such loansharking and as a suspected front for the Dominican mob, according to confidential DEA documents and other investigative sources.

Mark Berkowitz, a vice president and spokesman for Sea Crest, has strongly denied all wrongdoing in connection with loansharking, coupon fraud, terrorists, the Dominican mob, or any other nefarious operation.

"We run a small, legitimate business," he said.

Berkowitz added that his company's interest rates are all legal under Connecticut's relatively liberal usury laws and it is in Connecticut where borrowers must come to sign loan papers.

"They're all loony," he said of investigators, informants and politicians who are seeking a full-scale investigation of Sea Crest and its numerous affiliate companies. "My father (Bernie Berkowitz) is a concentration camp survivor and a veteran of the Korean War. Why would he want to help terrorists?"

Occhipinti and other investigators explain that Sea Crest has affiliate corporations, and only some of the principals of one company may turn up as principals of an affiliate.

The conspiracy is so loose, in other words, that money may be siphoned off to terrorists without all parties involved in the original loanshark-coupon scams being aware of it, investigators say.

To finally get some answers, Traficant plans to renew pressure for congressional hearings early next year, so that Jacobson can be subpoenaed.

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"Jacobson has a lot to say and he has indicated to us he would say it if subpoenaed, maybe before a private panel," said Marcone, Traficant's spokesman.

Traficant, a former sheriff who served for eight years on a narcotics subcommittee, has been among those pushing hardest to reopen Occhipinti's case.

Occhipinti has since obtained support from a host of top political figures and law enforcers. The long list of dignitaries includes former New Jersey Gov. Jim Florio, most of the New Jersey congressional delegation, and much of the state Legislature, which passed a resolution in Occhipinti's behalf several years ago.

Despite these powerful friends, a confidential DEA document reveals that enforcement against illicit banking activities sponsored by the Dominican drug cartel is "often hampered and legislatively fought by certain interest groups."

The DEA has declined to comment on all these allegations. So has the FBI and the CIA.



homogenous workers indoctrinated with OBE's political correctness. This Nation needs highly motivated and literate individuals, not politically correct students being told what to think and how to feel.

Those concerned with education desire choice and variety in academics. Systemic reform is just the opposite, and if passed will surely spark an uproar among those trying to provide for truly helpful reform.

I urge my fellow Members of Congress to read the following article, written by Robert Holland and published in the August 3 issue of the Richmond Times-Dispatch. In order to avoid harming the future of our educational system, I believe that systemic reform must be avoided.

[From the Richmond Times-Dispatch, Aug. 3, 1994]

**"SYSTEMIC" EDUCATION PLANS RUN ROUGHSHOD OVER FREE INDIVIDUALS**  
(By Robert Holland)

The Allen administration has been giving thought to rejecting \$14 million in biennial Goals 2000 money being dangled by the feds as an inducement to sign on to a totalitarian form of school reform accurately called systemic by its advocates.

Unfortunately, the decision is more complicated than that. The pending reauthorization of the Elementary and Secondary Education Act (now running to more than 900 dreary pages) could cut Virginia out of another \$140 million in aid, largely to high-poverty schools, if it balks at buying into Goals 2000—national school board, national curriculum, and all.

Meanwhile, there is the question of Virginia's participation in the federal School-to-Work Opportunities Act, which Congress quietly passed last spring. Millions more will be at stake. School to Work constitutes the third leg of the triad of national systemic reform; indeed, all three of these measures are cross-referenced and tightly wired together.

An example: Goals 2000 sets up a National Skills Standards Board whereby Robert Reich's Labor functionaries can define the skills necessary for every job in the country. School to Work will specify how the schools are to inculcate and certify those workplace skills (like the notorious SCANS "competencies" of self-esteem and sociability) in children and will begin tracking them early on (through "career majors") toward employment in specific industries. Counseling would begin "at the earliest possible age, but not later than the seventh grade." (Title I, Sec. 101).

The Allen administration has accepted a \$330,000 School-to-Work planning grant, and Cynthia Taylor, a Wilder holdover who heads this initiative, has announced a series of 10 community meetings in September. She plans to hire "professional facilitators" to conduct the sessions, which are to help develop a plan she says will reflect Virginia's own "interests and needs." But the Labor Department already has volumes of specific School to Work guidelines for Virginia and other states. It is possible to tap into those plans via computer by dialing 800-767-0808 with a modem.

Were this simply an effort to keep education abreast of workplace changes in a technological era and to enhance students' career options (as a product of their own free will), then there would be much to commend in School to Work. Unfortunately, however, a strong element of government coercion permeates Labor's files. A 1991 Virginia proposal, for instance, envisioned that persons under 18 who had left school without "establishing their competencies" under the Virginia Assessment of Critical Knowledge and

Skills would be required to enter government Youth Work-Learning Centers. They would not be allowed to hold a job until they had mastered the so-called competencies.

Philosophically, School to Work resolves by fiat a long-running debate between the liberal arts and applied education. Workplace know-how would replace Cardinal Newman's idea of knowledge as a valuable end in itself. No longer would education be about producing well-rounded individuals; instead it would be about well-socialized workers for the global economy.

Governor Allen, who won election as an opponent of state-mandated Outcome-Based Education, has tried to keep faith with concerned citizens who want choice, variety, and strong academics—not one-size-fits-all systemic reform. In a recent letter, he explained to them that while a Governor who believes in local control cannot zap by decree all remnants of OBE-style affective education in certain localities, he stands by their right as parents to have an impact on local policies.

That such everyday parents and taxpayers—the army OBE created—are winning battles not only in Virginia but across the nation greatly offends the powerful establishment that deems its systemic reform the one model for all. Any doubt about that should have been erased by a recent alarm from the Alexandria-based National Association of State Boards of Education.

NASBE director Brenda Welburn lamented that "systemic education reform" is experiencing "setbacks in many states due to the well-organized opposition, which has waged a relentless campaign of rallies and soundbites." She said the Business Roundtable, the organization of big biz CEOs, is organizing a coalition of "national education associations and businesses" to thwart this opposition.

Interestingly enough, one of the touted benefits of joining the coalition will be "tool kits" including "materials on opponents." Totalitarian reform, totalitarian methods.

Among the groups joining so far: the Council of Chief State School Officers, National Alliance of Business, National Association of Secondary School Principals, National Association of State Directors of Special Education, National Middle School Association, National School Public Relations Association, and the New American Schools Development Corporation. These worthies plan to pool their money—ours?—to hire a fancy political campaign consultant to turn public opinion their way.

These elitist pooh-bahs just don't get it. The problem is that their statist scheme stinks, and all the PR in the world won't make it smell sweeter.

In the 1990s, the idea of "outcomes" in education appealed to bottom-line business thinking, as well it should. Solid results should be expected, indeed demanded, from government schools. But as Bruno Manno points out in a trenchant briefing paper on OBE for the Hudson Institute, the outcomes concept was "hijacked" by the education bureaucracy, and the process turned on its head. With outcomes now expressed in the old progressivist mumbo-jumbo about feelings and attitudes, accountability becomes impossible. Jeanne Allen of the pro-choice Center for Education Reform believes that well-meaning business executives have been misled by their staffers and education bureaucrats.

It would be grand if Governor Allen struck a blow for liberty by making Virginia the first state to reject all aid related to the federalization of education. But that's expecting a lot; given the hue and cry sure to arise about "shortchanging" Virginia pupils.

What's more likely is that systemic reform on the current model will be imposed in every district in the land—and as a result we will see a parents' revolt in this country that will make the current uprising seem tame. Maybe then will come true reform—not of the systemic variety, mind you, but rather one that replaces the corrupt, monopolistic system with true diversity and choice.

**KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI**

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 23, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD the transcript of an interview my chief of staff, Paul Marcone, conducted with New York City Police Department [NYPD] Sgt. Lenny Lemer. Present during the interview was NYPD Sgt. Robert Kwaiwasser of the NYPD Legal Bureau.

INTERVIEW WITH NYPD SGT. LENNY LEMER,  
JULY 15, 1994

Mr. MARCONE. The first question I have is are you currently a member of the New York City Drug Enforcement Agency Task Force?

Mr. LEMER. Yes, I am.

Mr. MARCONE. Okay. During your official duties with the task force, did you at any time independently uncover evidence that you would consider to be credible that there may have been a conspiracy on the part of Dominican drug lords in Manhattan to set up former Immigration and Naturalization Service Agent Joseph Occhipinti?

Mr. LEMER. Well, I uncovered some credible evidence that there were some groups out there.

Mr. MARCONE. Dominicans?

Mr. LEMER. Dominicans or Dominican descent, and there were actually organized groups of I guess drug dealers in the sense that had influenced, attempted to influence people in the regard of Joseph Occhipinti.

Mr. MARCONE. Sgt. Lemer?

Mr. LEMER. Yes.

Mr. MARCONE. When you make reference to credible evidence, be more specific, okay?

Mr. LEMER. Basically, I received information or we received information about different, and organization that may have been involved in having something to do with framing Joe Occhipinti as well as several.

Mr. MARCONE. Excuse me. Is that the Federation of Dominican Merchants and Industrialists?

Mr. LEMER. It was the Federation of Dominican Businessmen and Industrialists, right?

Mr. MARCONE. And these were witnesses that you were using as informants?

Mr. LEMER. Well, the original information that was relayed to me actually came from what I believe at the time was a source of information of an individual who apparently had information who didn't want to be signed up as an informant.

I later on, much later on, learned his identity after an FBI investigation apparently involving myself and the detective who had gotten the information, so at that point I was told his name.

At the time I received the information first verbally and then it was put in writing in a report dated July 10th of 1992, just after

sequent to the riots up in Washington Heights.

Mr. MARCONE. What was the nature of the information that you had?

Mr. LEMER. The information that we had listed a number of different grocery stores that were said to be run by people selling drugs, as well as an organization, a corporation by the name of Seacrest Trading.

Mr. KWALASSER. Excuse me. At this point, we had talked earlier, Mr. Marcone, that certain issues that were going to be under investigation were not going to be discussed.

Mr. MARCONE. Right.

So I can assume that Seacrest Trading is an entity that is currently under investigation by NYPD?

Mr. KWALASSER. Affirmative.

Mr. MARCONE. Okay. I want to focus in on Occhipinti. Did you, at any time through your investigations, as part of the task force, receive any information that any of the complainants against Occhipinti were coerced or bribed to testify, to offer testimony against him?

Mr. LEMER. Well, I did receive information, it turned out to be what we call a blacklisted informant, a Dominican informant who approached us, and when I did debrief him, said to me that he had proof that Occhipinti had been in fact framed and that the proof that he told me he had was that he had taped apparently a couple of the witnesses who had testified who had admitted that they had perjured themselves.

Mr. MARCONE. Were these the actual complainants, the Bodega owners?

Mr. LEMER. No. I don't recall if he was one of the Bodega owners. He had mentioned one or two names of people who had in fact apparently testified in the Occhipinti trial, and subsequently he said that he had gotten together with them and taped them and at which time they admitted to him that they had received money from an individual by the name of Jose Liberato, who owns numerous grocery stores in the Washington Heights and Bronx area.

Subsequently, we did look into Jose Liberato to a certain extent, as well as some other grocery stores of whom apparently there was a female who had testified in Occhipinti's trial and ironically enough, thereafter, I found out through checking with the Archives, the Journalist Archives, that she apparently had given an interview to Newsday regarding Occhipinti and I the quote was that he had raided her store back in August of '89.

A subsequent investigation by me as to who the owner was in August of '89 came back to an individual by the name of Freddie Then, who was, at that time, and actually who is currently apparently a federal fugitive, having been convicted, I believe, in the Southern District for cocaine distribution.

Mr. MARCONE. Was he convicted in absentia?

Mr. LEMER. Yes, he was.

Mr. MARCONE. What happened?

Mr. LEMER. What happened was apparently, in the last day of the trial, just prior to the jury coming back, he jumped bail. So that in effect the store changed names in October of '89. However, that was my preliminary check.

Mr. MARCONE. Was there any indication that the 1989 raid that Occhipinti made violated any laws?

Were there any civil rights violations that she alluded to in the Newsday article?

Mr. LEMER. Apparently, we—I didn't, it was impossible for me at that time to look into that actual raid or that arrest. From the information that I was able to see, it appears that the store was involved in some narcotics trafficking and as a result, Freddie Then was arrested.

The connection there being that when she admittedly says that it's her store in '89, although officially the store changes hands in October of '89 to I believe it's her husband, Filo Crucey. And I wouldn't have known that had it not been because she mentioned to that reporter that it was her store in August of '89, which would have associated her with Freddie Then, an obviously known drug dealer.

Mr. MARCONE. Is it safe to say then that you received information from more than one source that Mr. Occhipinti may have been set up by Dominican drug lords? Is that correct to say?

Mr. LEMER. Well, I received information from several different sources, a lot of who were just informants or actually not informants, sources who did say that he had been set up because he was doing a lot of harm to the economic business of the—well not so much necessarily only the drug dealers but me experience with what we call the Bodegas, which are the small grocery stores up in the Washington Heights area is that in order to survive economically, they have to rely on—a lot of times; I'm not going to say that all of them but a good part of them rely on illegal gambling, the Dominican lottery, the Dominican numbers, as well as other means to subsist because if anybody were to go up there and physically take a look at these places, one would realize that it's impossible for four Bodegas to exist on each corner of a particular block without having to augment—I mean, you're looking at an area that's economically deprived to a certain extent, and one would say, well, they're doing these illegal activities to augment their income, which is evident and has been evident since I worked up there in 1982.

So, I mean, when somebody, when a source of information—

Mr. MARCONE. Could you just kind of elaborate more on the source. Are these confidential CIs that have been registered by the department, or are they people that just talked to you during the course of an investigation?

Mr. LEMER. Most of them were just people that we spoke to who we didn't really, who we didn't sign up.

Mr. MARCONE. Well, what were the circumstances for which you were speaking to them? Was it in your office or was it on the street?

Mr. LEMER. No, no. Most of the time we would meet them up in the Washington Heights area.

Mr. MARCONE. At what types of locations?

Mr. LEMER. We'd—you know, on a street corner, we'd put them in a car.

Mr. MARCONE. And talk to them?

Mr. LEMER. Just talk to them.

You see, we weren't really, I wasn't investigating whether or not Occhipinti was or was not set up. I was investigating other matters.

Mr. MARCONE. Related to drugs?

Mr. LEMER. Foremost yes, related to drugs and whether or not the information that we had been receiving that the riots that occurred up there were in fact an organized venture by a group of narcotics dealers who were trying to get the police presence out of there.

Mr. MARCONE. Okay. Was there any, did you ever come across evidence that, in connection to the riots, that the federation was involved in any way in trying to organize the riots?

Mr. LEMER. No, I did not. I didn't come up with any concise information.

Mr. MARCONE. Relating to information that you uncovered through these informants and discussions relative to a possible set up of Occhipinti, did you report your findings to anyone at NYPD or DEA and

through the chain of command, through officials reports?

Mr. LEMER. No. Actually, the only report that actually mentions the fact that Occhipinti may have been set up or something to that effect was the original reported, dated July 12th—July 10th, excuse me, 1992, which was the basis for my group being formed, and which made a correlation between, from the source of information between what had happened to Joseph Occhipinti and what was being perceived at that time as to what they were trying to do, or was being tried to have done to Michael O'Keefe, who was the police officer at the 34th Precinct who had shot the drug dealer and basically supposedly precipitated the riots.

But that was the only report that was ever written. You know, we—

Mr. MARCONE. But Occhipinti's name was mentioned in that report.

Mr. LEMER. Yes, it was. His name was mentioned as it related to the similarities between what had happened there in his case and what was apparently happening in the Michael O'Keefe case.

Mr. MARCONE. Who compiled the report? Was it an NYPD report or was it a joint NYPD/DEA report?

Mr. LEMER. It's a DEA report. We, working under the auspices of the DEA task force, do DEA reports.

Mr. MARCONE. So it's considered a federal document?

Mr. LEMER. That is correct.

Mr. MARCONE. To your knowledge, is the document considered classified?

Mr. KWALASSER. Do you normally—I just want to interrupt one second—Sgt. Lemer, do you normally classify the documents there? Or is that done by DEA analysts?

Mr. LEMER. We would just write the report.

Mr. MARCONE. Who was the report written to?

Mr. LEMER. The report is written actually to a general file. It's just a report of information. It's actually, I think it was titled "The debriefing of a source of information." I believe it was an eight-page report that Detective Garrido wrote at my request.

Mr. MARCONE. And that report emotions Occhipinti?

Mr. LEMER. Yes, it does.

Mr. MARCONE. So you wouldn't play any role in tagging the report as classified? You just submit the report and it will be up to your superiors to determine whether or not a report of that nature will be considered classified?

Mr. LEMER. That is correct.

Mr. MARCONE. Because we, I want to state for the record that we sent a Freedom of Information request to the DEA for all files they had during that time period that you mentioned that related to the Occhipinti case. And we did not get that particular document.

They did state that there were certain documents that they had that they were not providing to us for security reasons.

Is there anything in that report—

Mr. KWALASSER. For the record, Mr. Marcone?

Mr. MARCONE. Yes?

Mr. KWALASSER. Sgt. Lemer, when, in the normal course of DEA Drug Enforcement Task Force business, there are times when Sgt. Lemer has to answer—in other words, a Freedom of Information request is made to the agency. Then the agency will reach out to the various units within that. This is my understanding, not being in the Drug Enforcement Administration.

This is the way it's been explained to me. The agency will reach out to the field units to gather documents, and then the agency



records officer down in Washington makes the final determination as to whether—

Mr. MARCONE. Right. I'm not questioning whether or not, I have every confidence that all relevant documents are forwarded to Washington.

I just want to get, from Sgt. Lemer, his feelings as to whether or not anything in the report, at this time frame, will be considered classified or would it involve any on-going—

Mr. KWALASSER. You're asking for an opinion, you're asking Sgt. Lemer as to what someone else would determine.

Mr. MARCONE. How about this.

Sgt. Lemer, was there anything in the report that made reference to investigations that the NYPD DEA Task Force is still currently engaged in?

Mr. LEMER. Well, the reports referred to—I gathered the reports. There were many reports that I did send to Washington. Actually, the whole case file as well as the memo that I discovered relating to Occhipinti.

Mr. MARCONE. But that was not provided. So a determination must have been made at a higher level not to provide that?

Mr. LEMER. It has to be made—I'd imagine I sent it to the—at—Washington. They may be, I guess the final determination as to what they would release.

I did send whatever materials I had available.

Mr. MARCONE. Okay.

Let's move on.

In terms of the Occhipinti case, at any time, were you ever told by a superior or any member of the task force to stop or not to investigate any aspect of the Occhipinti case?

Were you ever told by anyone not to investigate any further on Occhipinti or any other matters that related to Occhipinti?

Mr. LEMER. Well, let me just clear this up probably from its inception.

I wasn't investigating Occhipinti.

Mr. MARCONE. Okay, I understand that, but at any point when you mentioned Occhipinti in your reports, did anyone ever come to you and say anything to you about the Occhipinti case in terms of don't investigate this, or you're not supposed to be investigating the Occhipinti case?

Mr. LEMER. Well, a matter of course, when we first started, okay, the thrust and my mandate was really to investigate whether or not the allegations that were made initially regarding all the criminal activity in the Washington Heights area was in fact credible. And actually the idea was to stay away from a direct investigation of whether or not Joseph Occhipinti was guilty or not guilty.

Mr. MARCONE. Who made that determination?

Mr. LEMER. That was made at the initial inception by the powers that be, I guess the boss, you know, because of the fact—

Mr. KWALASSER. Mr. Marcone?

Mr. MARCONE. Yes?

Mr. KWALASSER. Sgt. Lemer's task force was formed for a specific purpose, okay? And while during the course of an investigation, the task force might uncover other information, but there are only a limited number of individuals in the group, and they have to stay focused on the mission, which was to investigate one item, and not to go off in different directions.

Mr. MARCONE. I understand that.

As a matter of practice, though, if, in the course of an investigation that's focused on one issue, they uncover evidence on another case, would it be normal practice for them to turn over their findings to the relevant, either federal, state, or local law enforcement entity to handle that, or is that something that you would turn over to the U.S. Attor-

ney's office and say, we uncovered this evidence?

Mr. LEMER. Let me say, as it related to the Joseph Occhipinti situation, there was in reality no—I uncovered no direct—well, at the time, let's say, because subsequent to that in the earlier part of this year, I did uncover a DEA memo which, in my estimation, shows a gross, well, shows that something wasn't right as far as the investigation in the Southern District as it related to a DEA agent who worked among them.

Mr. MARCONE. Right. Now was that finding simply turned over to DEA, or did you refer that to the U.S. Attorney's office or the Office of Professional Responsibility inside the Justice Department?

Mr. LEMER. When I found this particular memo, which had been written by a DEA special agent, after having spoken to him verbally where he recounted to me what had happened in 1991, I really didn't know, to be honest with you, I didn't know who to turn to because of the fact that the main focus of the memo was the, well, I can't call it anything else, apparent misconduct on the part of the Southern District of New York.

Mr. KWALASSER. Let's go back into perspective. If this is a memo written by a DEA agent, it's already been filed. This is part of the DEA's record. Sgt. Lemer just uncovered something that he's assuming that DEA knew about also.

Mr. MARCONE. Right. So the memo was written from a DEA agent to his superior?

Mr. LEMER. That's correct.

Mr. MARCONE. If the DEA was aware of, let me just, I want to focus for the record on what exactly, at the time, 1992, is when you uncovered informants mentioning Occhipinti and the fact that he may have been set up.

At that time, what was the focus of the task force and what were you exactly investigating, and what was the mission of the task force, just so I know what your mission was.

Mr. LEMER. My mission, or our mission was to investigate if in fact the allegations that organized groups of narcotics dealers were in fact responsible for fueling the riots, and that was our primary focus.

And what we tried to do was, as it related to the original report of July 10th, which Detective Garrido wrote, which had—the idea at the time was we needed to find out whether or not the source of information was in fact credible. And in order to do that, what we set out to do was take apart the report, piece by piece, and see if in fact the allegations against certain either businesses or individuals were legitimate.

And the way to do that was, and this is what we discussed and the way to go about it, was to isolate each allegation and see if in fact that person or place or corporation had been or should have been a target of an investigation.

And so that's what we—you know, we never looked into the—the Occhipinti situation was something that was nebulous to us because there was no way for us to really look into whether or not he was set up from what we were doing.

In actuality, that was not our focus at all. We were staying away from that because we needed to find out whether or not a source of information was credible or legitimate.

Mr. MARCONE. On the riots?

Mr. LEMER. On the riots because what happens is, if we were able to determine that the allegations he made about different companies or different people were in fact legitimate, then one could surmise that the rest of his information was also credible. That was the only way to actually do that.

We couldn't—

Mr. MARCONE. You and the task force, other members of the task force would, as a

matter of course, work very closely with prosecutors, correct, in formulating a case?

Mr. LEMER. Yes, that is correct.

Mr. MARCONE. Okay. In formulating a case, let's say you found a pattern that there was an organized group that was in fact responsible for the riots.

Would you try to enter into evidence the fact that the same group was responsible for organizing another type of effort to frame a federal agent? And that would indicate a pattern of illegal behavior? Or would that be considered inadmissible?

I know you're not a lawyer and you can't make that determination, but is that something that you would try to collect information of that nature and that would certainly help your case?

Mr. LEMER. Yes.

You've got to realize, Mr. Marcone, a lot of the information that you're getting is hearsay. You're getting people's statements with no real factual corroborating evidence.

Mr. MARCONE. What if you had sworn affidavits from individuals?

Mr. LEMER. I never had any. I never got any affidavits.

Mr. MARCONE. Were you aware of the fact that the Staten Island Borough President's office did collect numerous sworn affidavits from individuals that attest to the fact that there was in fact a conspiracy to frame Mr. Occhipinti?

Were you made aware of that fact?

Mr. LEMER. Well, I became aware of that after our investigation was pretty much coming to an end, and I was apprised by Robert Knapp and Valerie Caproni.

Let me just give you a little background.

When it became apparent to me that a lot of the individuals who I was looking at from an investigative perspective were—I became aware that the FBI had been tasked by apparently the president, President Bush, at the time, to look into whether or not there was wrongdoing in Occhipinti's situation.

When I became aware of that, I said to myself, and continued in that mode, that I needed to speak to those agents so that they would know that I myself was doing an investigation in which these people had been named and I might in fact be looking at them from the drug aspect.

In other words, were they in fact narcotics dealers, are they in fact laundering narcotics money.

And I went to the FBI because I didn't want to step on their toes.

Mr. MARCONE. Are you talking about the investigation that was initiated in July of '92 by the FBI?

Mr. LEMER. Yes. Yes.

Mr. MARCONE. Okay, go ahead.

Mr. LEMER. So I went to them and said to them that I had, myself and the ASAC, my boss, and we had a meeting with the agent who was running the investigation out in Queens, and basically we explained our position, that we don't want to step on their toes, and at the same time, I didn't want them scaring my subjects into going underground.

And at that point, I became aware that this is subsequent to speaking to that blacklisted informant—and then I became aware that apparently there were tapes, and I was told by the FBI that they had polygraphed the informant and that the informant had failed the poly.

And basically my answer to that was, well, you know, I haven't dealt with too many informants who could pass a poly.

But the agent in charge of the organization did say to me, because we were going to use this blacklisted informant at the time, said to me that I could in fact use it. He'd failed the poly but as far as he was concerned, I could go ahead and use him.

Mr. KWALASSER. Why don't you explain to Mr. Marccone what a blacklisted informant really is.

Mr. LEMER. A blacklisted informant is an informant that has been registered prior and for any one of many reasons has been deactivated for negative reasons.

In this particular instance, the informant who contacted us, and after relating his story, had said that he had been blacklisted by the DEA, I looked at his file to see exactly what the reasoning was, and spoke to the agents who had controlled him.

And from doing that little line, I found out that he had been blacklisted for, you know, non—what I would consider not a real serious reason. There are no real—in one instance, apparently, was for failure to tell a U.S. Attorney about somebody, a defendant. However, he had, once on the stand had actually told the judge that what he'd done and was found to be a credible witness and in fact the defendant was convicted.

Mr. MARCONE. You had confidence in the witness?

Mr. LEMER. Yes. I found him to be credible. I looked at his file.

Mr. KWALASSER. Just in total perspective, while the witness might be credible and we might believe what he's saying, the evidentiary value is very minimal because—

Mr. MARCONE. It's hearsay.

Mr. KWALASSER. No. Even the witness, should he ever be called to testify, is going to be shredded.

Mr. MARCONE. Is this the same witness who had information about Occhipinti?

Mr. LEMER. Yes. Right. It's the same one. And he had been doing work for Mr. Molinari. So that's—and we were going to utilize him because he was in fact going to be a good informant for us.

But then there was a problem where Mr. Molinari made a phone call to Mr. Fox about—there was apparently a misunderstanding that this particular informant had related back to Mr. Molinari that the FBI was precluding us from using him, which was not in fact the case.

The FBI, after our meeting, had said, listen, he failed the polygraph, we don't believe him, but if you want to use him, go ahead and use him.

But in total retrospect, that's telling you, we don't believe him and, by the way, anything that he gives you, you have to tell everyone that the FBI was going to use him but—

Mr. MARCONE. So when you go to court, you really can't use him?

Mr. LEMER. You can't use him.

Mr. MARCONE. Although you could use him to get information about other, other—

Mr. LEMER. But you're risking people's lives with someone that's not—would have been especially with the CI that has been—in the past, would have been to corroborate and investigate anything he said prior to us taking any kind of proactive action.

Mr. MARCONE. And you can use an informant like that for leads that would lead you to other informants who might be more credible?

Mr. LEMER. We had decided, at the time, and confirmed with my bosses that we were in fact going to use him. It was only that when it became apparent to us that the CI was going back and reporting to Mr. Molinari and this particular instance, it was not true, therefore we said it was more trouble than it needed to be, and in fact we might end up hurting our own credibility.

Mr. MARCONE. Let me ask you one more question about this informant.

In your opinion, did the FBI make a determination that the said informant was not credible based entirely on the fact that that informant failed a polygraph test?

Or as far as you know?

Mr. LEMER. My impression was that after he failed the polygraph, they felt that he was lying.

Mr. MARCONE. So their impression of the informant was based, was framed on—very heavily by the fact that he failed the polygraph?

Mr. LEMER. Yes. I don't know that, I mean—

Mr. MARCONE. But that was your impression, though?

Mr. LEMER. That seemed to be, you know, and my question then was, well, if I were to try to determine whether or not a particular person was telling the truth, especially as it related to audio tapes, as an investigator, the first thing I would do would be, instead of giving him the poly, would be to get an expert to do what we call a voice exemplar and match and say, if this informant is saying that this Witness X who testified in a trial told me that he lied, or that he made it up because he was paid money, what I would do to check the authenticity would be to have an expert say is this in fact Witness X.

I don't believe that that—

Mr. MARCONE. All right. One more question.

In July 1992, the FBI—

Is Sgt. Lemer there?

Mr. LEMER. Yes, this is me.

Mr. MARCONE. I want to pick on something. Your initial investigation in '92 was investigating whether or not there were any organized groups behind the riots?

Mr. LEMER. That was the primary thing.

Mr. MARCONE. Was that investigation ever concluded, and did it result in any indictments?

Mr. LEMER. No, it resulted in no indictments. We did get information from an informant at the time that he was aware of knowing what he considered drug dealers to him or paying young street guys a hundred dollars to burn cars and continue to fuel the riots.

We never got any concrete proof of that, either from an informant or on anybody, but that was what we determined. But there wasn't enough to make any arrests or indict anybody.

Mr. MARCONE. You didn't have enough evidence to go to indictment?

Mr. LEMER. That's correct.

Mr. MARCONE. Okay. At any point, did any other law enforcement officers, from 1992 to the present, have any other current active law enforcement officers ever come to you and told you that they were either influenced or intimidated by federal prosecutors not to investigate the Occhipinti case?

Mr. LEMER. Well, Detective Garrido, who worked for me, who had authored the original report and gotten the information, was called down to the Eastern District of New York and questioned by the U.S. Attorney and the FBI, as well as myself.

And at the time, he was one defendant out of I believe what was seven or eight in a civil case brought about by three convicted drug dealers who were alleging that they were beaten at the time of their arrest, I believe in 1988, and the case was being handled by the U.S. Attorney's office in the Southern District.

He was, had prepared the case with the U.S. Attorney for two years. We first became aware that the FBI and the Eastern District was looking at any of this was, I believe it was the beginning of '93, January of '93, when he was informed by the U.S. Attorney handling his case that she could no longer represent him because of a possible conflict of interest.

She said that, when queried by him, she said she couldn't divulge anything further because it was an ethical question.

So I—through the records of DEA made attempts to find out what was going on, and it became apparent that Frank Garrido, Detective Garrido might be the subject of an investigation.

Mr. MARCONE. Related to Occhipinti?

Mr. LEMER. Related to, related to what we had been doing and what we had probably, I don't know for sure, what we had been doing as it related to the FBI investigation.

What happened then was that the Department of Justice authorized private counsel for Detective Garrido. However, what happened was, obviously, if you're the only defendant in one of these cases, sitting by yourself with private counsel and everybody else has got the U.S. Attorney, one would look around and say, there might be a problem.

Mr. MARCONE. Right.

Mr. LEMER. So ultimately, the case was decided in about 48 minutes, I think, because the people making the lawsuit, the convicted drug dealers apparently had—the injuries that they claimed were proven to be from the high school. So there was no merit to that case.

Mr. MARCONE. Okay, but were there any law enforcement officers that ever came to you and told you that they were either intimidated or influenced not to investigate the Occhipinti case, any law enforcement officer that you are aware of?

Mr. LEMER. No, besides Frank Garrido and—

Mr. MARCONE. Was Detective Garrido, did he tell you that he was intimidated or someone told him not to, I'm talking about the Occhipinti case, do not investigate or push this case further or maybe you shouldn't investigate this case?

Mr. LEMER. Well, we both discussed what was going on, you know, in relationship to their situation and my being called down there, and we sat there and discussed it openly and we looked at it and said, obviously, you know, if we continue with this, nobody came out and said, nobody ever came out and said, don't investigate this. The FBI didn't say it to me. The U.S. Attorney for the Eastern District who was handling it, the assistant didn't say it to me.

However, I mean, we're not dumb either, and, you know, when you see there's passive intimidation such that if you hit your head against the wall long enough, maybe you know, you stop going in that direction.

So we looked at it and said, if we want to be on the hot seat, we'll continue to push this issue, and if we don't—

Mr. MARCONE. When you say on the hot seat, what do you mean by that?

Mr. LEMER. Well, to be scrutinized, to be called down to the U.S. Attorney's office.

Mr. MARCONE. And when you're called down there, they actually ask you questions about Occhipinti or was it?

Mr. LEMER. They asked questions about Occhipinti, they asked questions about—

Mr. MARCONE. They did ask questions about Occhipinti?

Mr. LEMER. Yes, yes.

Mr. MARCONE. And Molinari?

Mr. LEMER. And Molinari.

Mr. MARCONE. What kind of questions did they ask you?

Mr. KWALASSER. One second.

Detective Lemer, was any of this information ever put before a grand jury?

Mr. LEMER. No, it was not. As far as I know.

Mr. KWALASSER. Mr. Marccone, I'm just making sure that there's no other violations.

Mr. LEMER. As far as I know, it was never put into the grand jury, but we were asked whether or not we knew Mr. Molinari, whether or not—well, I can only attest to

what I was questioned about—whether or not I knew Joe Occhipinti.

Mr. MARCONE. And this was in when, in 1992?

Mr. LEMER. Early 1993.

Mr. MARCONE. After the FBI completed its report?

Mr. LEMER. Yes, yes.

Mr. MARCONE. Okay, so this was in early 1993, and they're asking you if you knew Joseph Occhipinti?

Mr. LEMER. They asked me if I knew Joseph Occhipinti, they asked me if I knew Guy Molinari, and originally we went down there, I went down there voluntarily, and they didn't subpoena me or anything.

I thought, my big thing was, plus the agent who was investigating the case, Steve Jarrett, was the same agent who was assigned to the original investigation back in July or June of '92.

Mr. MARCONE. Getting back to Jarrett, we understand the FBI began investigating the Occhipinti case in July of '92 to determine whether or not Mr. Occhipinti's allegations had any validity.

You went to the FBI, or did they come to you?

Mr. LEMER. They wouldn't have found me. I went to them.

Mr. MARCONE. Okay. And were you interviewed by Special Agent Jarrett during that investigation?

Mr. LEMER. No, he was not present.

It wasn't an interview actually. At that time, myself and the—

Mr. MARCONE. What time frame is this?

Mr. LEMER. This is in August.

Mr. MARCONE. Of '92?

Mr. LEMER. Of '92.

Mr. MARCONE. Okay.

Mr. LEMER. When I found out that the FBI had been tasked with this investigation, I went to the Special Agent in charge of DEA at the time, Mr. Bryden, who was familiar with what I was doing there because he authorized my reassignment to the task force on a temporary basis to investigate this.

I spoke to him and asked him to call his counterpart in the FBI and see if, you know, we could have a meeting because I did not want to interfere with their investigation and at the same time, I didn't want them interfering with my investigation.

Well, subsequently, we were given, I received a call from Bob Knapp who is the agent in charge of the investigation and we set up a meeting. It was a meeting, it wasn't an interview. It was a meeting where I went there with my boss, and Jarrett wasn't present that day.

And he and I discussed what we were doing and at that time was when he mentioned to me about this informant having failed the polygraph.

So I went to them in an open manner to say, listen, I'm looking at these people for drugs, for narcotic and money laundering violations.

Mr. MARCONE. Okay. When you initially went to the FBI then, Jarrett was not there?

Mr. LEMER. No. He was assigned to the case because he—

Mr. MARCONE. Who did you meet with?

Mr. LEMER. I met with Bob Knapp, Robert Knapp who was the agent in charge of the case.

Mr. MARCONE. Okay. And how did he react to the information? You gave him obviously information you had about Occhipinti?

Mr. LEMER. Right.

Mr. MARCONE. What was his initial reaction?

Mr. LEMER. He was very open-minded. He looked at it, and he said—I explained to him as I explained to you earlier about the grocery stores and how I've known that they conduct illegal activities for years because

of the economic situation, and he said he wasn't from New York but, you know, he could understand it, etcetera. He was very open.

He said, as a matter of fact, he asked me, he said do you want the transcripts of the trial. He says you can take a look at them, and maybe that can help you. I said, and to this date, I've never seen the transcripts of the trial nor do I even know who exactly testified in that trial, other than one or two people that I've learned about subsequently, and one of them in particular related to this memo that this DEA agent wrote.

And I want to state for the record, Robert Knapp was a gentleman and, you know, he was very open about everything, and—

Mr. MARCONE. He was unbiased.

Mr. LEMER. Unbiased.

Mr. MARCONE. You got the impression that he was simply collecting information?

Mr. LEMER. He was simply doing a case that he had been tasked to do and nothing more and nothing less.

Mr. MARCONE. Okay. Now under what circumstances did you speak with FBI Special Agent Jarrett?

Mr. LEMER. Shortly, I guess this was January, when I found out—

Mr. MARCONE. January of '93?

Mr. LEMER. '93.

Mr. MARCONE. And what were the circumstances that you ended up speaking with him?

Mr. LEMER. I called him to find out what exactly was going on with Detective Garrido and also to tell him that I thought we were doing a semi-a joint gentlemen's investigation. In other words, we were doing ours and he was doing his, but it was—

Mr. MARCONE. Were you aware in January of '93 that the FBI concluded its investigation of the Occhipinti matter?

Mr. LEMER. No, no.

Mr. MARCONE. So you were not aware that the investigation had been completed?

Mr. LEMER. I don't think so. I remember when I did find out, it was because in the press they stated about the report, that they wouldn't release the report. I don't know when that was exactly.

Mr. MARCONE. It was December of '92.

Mr. LEMER. All right, so I may have been aware of it.

Mr. MARCONE. Okay now when you went with Jarrett?

Mr. LEMER. I called Jarrett. He asked me to go to the Eastern District.

Mr. MARCONE. Did you do that?

Mr. LEMER. Yes, I went down there basically voluntarily.

Mr. MARCONE. And who did you meet with?

Mr. LEMER. I met with Steve Jarrett and Valerie Caproni, the Assistant who at that time was handling the case.

Mr. MARCONE. Who is Ms. Caproni? Was she with the U.S. Attorney's office?

Mr. LEMER. She was with the U.S. Attorney's office in the Eastern District.

Mr. MARCONE. And at that meeting, did you discuss the Occhipinti case?

Mr. LEMER. Yes. We discussed, I gave them the background. Initially, I thought there was some sort of misunderstanding. I said, obviously there's got to be a misunderstanding because we're on the same side, at least I thought we were on the same side.

And at that, you know, and I started, I gave them a review of the case. In other words, I told them how we were formed.

They told me that they thought we were acting on our own and I explained to them, I said, no, you know, I said Mr. Bryden and we were put together by the Commissioner and we were sanctioned by the Commissioner, at the time, Lee Brown.

I said we don't just walk into the DEA and set up shop. I said this was, and this was a le-

gitimate investigation into the events that occurred during the riots and them being narcotics-related.

Mr. MARCONE. At any time, did Special Agent Jarrett, at that meeting, pressure you in any way or try to intimidate you by threatening an IAD investigation to terminate your Occhipinti investigation?

Mr. LEMER. No.

Mr. MARCONE. Or intimidate you or press you not to press any further with the Occhipinti matter?

Mr. LEMER. As I said, he never, he nor did Valerie Caproni say anything that we should cease the investigation.

They did ask me if I was still conducting the investigation and at the time, we were in a lull because one of the main witnesses had gotten killed.

So I answered their questions and said—

Mr. MARCONE. One of your main witnesses in the investigation?

Mr. LEMER. No, one of the targets of our original. I guess I'm not allowed to talk about it. There was a reason—

Mr. MARCONE. But the murder of the witness was not related to the Occhipinti case?

Mr. KWALASSER. No. I think it was related to an on-going investigation.

Mr. MARCONE. So you were at a lull at that point.

Mr. LEMER. Yes, I explained to him I was at a lull.

Mr. MARCONE. And did you explain, did you tell them, when they asked you, did they ask you directly, are you still investigating the Occhipinti case?

Mr. LEMER. No. They asked me if I was still investigating the Seacrest case.

Mr. MARCONE. Okay, but at any point, did either Jarrett or Caproni ever mention Occhipinti at that meeting in January?

Mr. LEMER. Yes. They asked me, I think they asked me if I knew Occhipinti. As a matter of fact, they made some comments about Occhipinti during, just at the end of the interview.

Mr. MARCONE. What kind of comments did they make about Occhipinti?

Mr. LEMER. Very derogatory comments.

At one point, towards the end, my attorney, my SBA, Sergeant's Benevolent Association Union Attorney who was present with me, George Cerrone, I was giving them a background basically as I said to you, and I said to Bob Knapp at the time, I said, you know, have you been up to the Heights, have you ever been up there to look around, and about the economic situation.

So my lawyer turned and said, well, I guess you can see, plus I've worked in the Washington Heights area since 1982 on patrol, and in narcotics as well. And I went back there as a sergeant when I got promoted in June of 1992 and then was reassigned after that back to the DEA to do this investigation.

But, so my lawyer turned to them and said, well, I guess you can see, Sgt. Lemer is very well versed in the narcotics going on up in the Washington Heights area, and then Jarrett turned around and said, no, he's not. Our number one expert is Occhipinti.

So then she turned around and said, well, the number one expert that hasn't been indicted, you know, so to me, I took offense at that.

We were there as professionals, number one. Number two, I was there voluntarily.

Mr. MARCONE. Did you construe that statement by Caproni as trying to intimidate you not to, to lay off the Occhipinti investigation?

Did the impression that you got was that you continue to press, that these two were not be cooperative and that they were causing problems for you?

Mr. LEMER. Oh, definitely, definitely.



Mr. MARCONE. That was the impression that you got personally?

Mr. LEMER. Definitely. My personal impression was that they were going to make my life as miserable as possible if I kept pushing with this issue.

And, you know, and the idea was that having, you know, they, from the questions that they gave me, it became apparent to me that they thought that I had something to do with Mr. Molinari or that I was doing his—they had a copy of the original report in their hand.

Mr. MARCONE. The 1992 report?

Mr. LEMER. July 10th, 1992, in which Detective Garrido had delineated all those allegations. They had a copy that was unsigned and they kept asking questions about it, and I gave them the explanation.

So the fact that they had an unsigned copy meant, you know, I realized that they had gotten that from the Southern District because the only person I knew who had that unsigned copy or was given an unsigned copy was Otto Obbermeier, who was the U.S. Attorney for the district, and he was given a copy of it by Bob Bryden who was the SAC, you know, so he could see what was going on.

Mr. MARCONE. Did Special Agent Jarrett, either at that meeting or any other meetings you might have had with him or conversations that you had with him, make any derogatory statements about either Mr. Occhipinti or Mr. Molinari?

Mr. LEMER. He didn't make any derogatory about Mr. Molinari. Occhipinti, as I said, it became evident to me, I'm trying to think if I recall any other statements. That was the first meeting.

I had a second meeting and some things came up again. Caproni was saying something about how, you know, Occhipinti was a liar and how she had such disgust for—she even mentioned some cops who would knock down doors illegally, etcetera, etcetera, which I found, number one, quite unprofessional, and number two, I was taken aback, because I said, I was there to explain. I thought there was a perfect explanation, and once they realized that this was—

Apparently, they thought that this was something that was not sanctioned and that we had been formed to get Joe Occhipinti out of jail at the time, or to create some sort of evidence that would show that Occhipinti was in fact framed.

And I explained it to them that that was not the case. But they didn't want to hear it.

Let me put it to you this way. Probably the most succinct way that I can do it, and that is as an investigator having done many hundreds of investigations, I know that when I and other prosecutors, you gather facts, okay. You gather facts and the idea being that sometimes the facts are going to be good for your case and sometimes they're going to be bad for your case.

It became evident to me that what they were doing in this thing was that they had a predetermined theory or let's say a puzzle all right, that they were filling in, and whatever I said to them that didn't fit their puzzle, they just disregarded.

In other words, when I was giving them all this information, I could look—they could care less, they weren't even taking notes half the time.

Mr. MARCONE. When you mentioned things that could be construed as exculpatory for Occhipinti, they did not take notes?

Mr. LEMER. Well, exculpatory for us, for me, in the sense of that validated our investigation and therefore whatever we had come up with. It became evident that they didn't want to hear whatever facts, and there were facts.

As a matter of fact, at one point, I had mentioned to them that there was some evi-

dence about—I looked at that July 10th report on the whole. As I said, there were many allegations about many different people and companies that were involved in illegal activity.

And as I said, if nine out of ten allegations are fact-founded, one would surmise that the tenth is also founded, okay.

However, when I told them about one particular case, a part of that report, where an allegation I found to be totally correct, and it had been substantiated by the fact that DEA in Bogota had executed search warrants on Columbian money launderers and come up with hard evidence, paper work that related back to this company, I explained that to them.

They looked at me like I might as well have been talking to the wall. And I said to them, I said, geez, they continued as if this hadn't been documented. Apparently, they couldn't find the file. They asked me if there was a file on this case. I said there was.

And they told me they couldn't find it. And I said, why didn't you just ask me? I had no problem showing it to them.

As a matter of fact, after the second meeting, I made arrangements with Steve Jarrett and did show him the file with the IAB lieutenant as well as showed him in the computer system where the date of the entries, so that he would know that the date of the entries were back in September of '92, because I said to him that I didn't want him to think that I back-dated any kind of report, all right.

So it became evident to me that, I thought when I gave them this concrete evidence, that they would say, my question was, you're the FBI, there's a case here that begs to be—

Mr. MARCONE. When you say concrete evidence, concrete evidence of what?

Mr. LEMER. That this particular company was involved in money laundering due to the fact that this information had come out of Bogota, Colombia.

Mr. MARCONE. You did not give them any concrete evidence relative to Occhipinti?

Mr. LEMER. No, no.

Mr. MARCONE. What you had on Occhipinti was basically hearsay?

Mr. LEMER. Correct.

Mr. MARCONE. But the hearsay could have been enough—in other words, let's say you're conducting an investigation.

Let me ask you a hypothetical.

What if you superior said, I want you to go in and investigate whether or not there was a conspiracy to indict Occhipinti.

You start investigating and you come back and say well, I have four or five witnesses who have hearsay evidence, but would that be enough for you to investigate further, or would they say shut it down; you don't have enough?

Mr. LEMER. Well, if you have four or five witnesses who independently are telling you that something's going on, one would continue. I mean, you'd be remiss if you walked away.

Mr. MARCONE. All right. A question here about the U.S. Attorney's office.

Mr. LEMER. Well, if I could just mention one thing?

Mr. MARCONE. Okay, good.

Mr. LEMER. I asked, regarding this particular company that was the subject of a big party of it, I wondered, why the FBI wasn't investigating it. It seemed like to me it was tailor made for an FBI investigation.

Mr. KWALASSER. I think we're touching on something that we probably should not really go into.

Mr. MARCONE. Is that because of the ongoing investigation of Seacrest?

Mr. LEMER. Well, this is something about, you know, I guess you could say that, that

either relates to why they aren't looking at it. Why is that Caproni and Jarrett never looked at that company?

Mr. MARCONE. Right.

Mr. LEMER. I asked that question, I mean—

Mr. MARCONE. What did they say?

Mr. LEMER. No, I ask that question. I never asked them.

I got a call from an FBI agent regarding Seacrest who told me it was the best case he ever saw cross his desk, asking if he could see my file.

I got permission from DEA to show it to him. The next thing you know, he never called me again. He disappeared off the face of the earth.

Mr. MARCONE. For the record, I'm aware of the fact that there is an on-going investigation of Seacrest. I'm also aware of the fact that there have been several investigations at several levels that we terminated, and my purpose here today is not Seacrest. I may be in the future, but I'm here on Occhipinti and I'd like to focus in on that.

I understand what you're saying about Seacrest.

Were you, subsequent to your January '93 meeting with Special Agent Jarrett and Attorney Caproni, since that time, have you ever had any discussions or meetings with anyone from the U.S. Attorney's office, either of the Southern District or the Eastern District, regarding Occhipinti?

Mr. LEMER. I believe, I have it written down too, later on in '93, I was called and asked to go back down to the Eastern District.

Mr. MARCONE. Who called you?

Mr. LEMER. Steve Jarrett called me, the agent.

Mr. MARCONE. And this was regarding Occhipinti?

Mr. LEMER. Regarding the whole situation, and there was a new U.S. Attorney assigned to the case. Faith Gaye was her name.

And let me see, I have—

Mr. MARCONE. Did you actually go down to the Eastern District and meet with them?

Mr. LEMER. Yes, I went down there and met with Faith Gaye and Steve Jarrett again.

Mr. MARCONE. What was the nature of the—what was discussed at the meeting relative to Occhipinti?

Mr. LEMER. Well, they wanted to know, one of the things that came up was, Jarrett had said that, asked me if I had, you know, since I had spoken to him last, if I had met with or met either Molinari or Occhipinti.

So my answer to that was that, yes, I had. And so then they asked me—okay, hold on a second—

(Pause) I'm looking at some notes. My date was wrong on the first meeting. It's actually March 3rd of '93 that I met with Caproni and Jarrett for the first time.

Mr. MARCONE. Okay. So this is a good three months after they had issued their final report?

Mr. LEMER. Right.

Mr. MARCONE. When did this second meeting take place?

Mr. LEMER. August 23rd.

Mr. MARCONE. Of '93?

Mr. LEMER. Of '93—excuse me—'93, correct.

Mr. MARCONE. Of '93.

And at that point, they asked you questions about whether or not you had met with Molinari and Occhipinti?

Mr. LEMER. Right.

Mr. MARCONE. What else did they ask you?

Mr. LEMER. Well, they asked me whether I was still investigating the case or not. And I told them, no, that at that time that I—

Mr. MARCONE. Whether or not you were investigating the Occhipinti case?

Mr. LEMER. No, Seacrest.

Mr. MARCONE. Did they ever mention Occhipinti?

Mr. LEMER. No, no. They never actually came out and said that they thought I was investigating Occhipinti.

Mr. MARCONE. At the August '93 meeting, did they mention Occhipinti at all?

Mr. LEMER. Yes. They asked me, they asked me if I met with them, and I said that I met him at a foundation, Michael Buczek Foundation dinner, which was in early May. When I told them, then Jarrett said, oh, you mean the Joseph Occhipinti legal defense fund?

And I said, no, I don't mean that. I said, I know exactly what I mean. I said I was introduced to Joseph Occhipinti at the Michael Buczek Foundation dinner. He was there and so was Mrs. Molinari. I met both of them.

So then he says, well, the Joseph Occhipinti Fund Dinner was maybe like a week later. And I said, no, I was—

And he says, did you attend that?

I said, no, I didn't, you know, but everything was, you know, as if I was in bed with Joe Occhipinti, you know, and—

Mr. MARCONE. In terms of when the conversation turned to the Occhipinti matter, did you feel that they were, that Jarrett was being coercive or intimidating to you relative to that particular matter?

Mr. LEMER. Yes, oh, yes.

He was—

Mr. MARCONE. Was he hostile?

Mr. LEMER. Not really. He's not that type. He was just, you know, he wasn't hostile, you know, he just asked me—the way he put it, making comments. You made a comment at the first meeting about the riots when I had said that I was assigned to investigate the thing about the riots, he says, oh, he was trying to pinpoint the date, he said, oh, was that the day the Lieutenant threw the guy off the roof?

And I looked at him and said, what are you talking about? I said it was, you know, as a matter of fact, you know, it was made clear that that wasn't the case in that particular instance, and as a matter of fact, the FBI was the one they rattled off the roof because Bob Knapp told me that when I first met him. I mean, Bob Knapp was a gentleman.

You know, so when he made that comment to me, it became obvious that they were being hostile. That was when we sat down. So I said, obviously, you know, this is not a meeting of fellow professionals, that's for sure.

Mr. MARCONE. What else did they ask you at the August 1993 meeting about Occhipinti, other than whether or not you had met with Occhipinti and Molinari, did they ask you any other questions?

Did they ask you if you were still investigating the Occhipinti case?

Mr. LEMER. They asked me if my group, if I still had my group, and I told them no, that my group had been disbanded.

So they said you're doing regular work now?

I said, yes, I'm assigned to the DEA task force in a regular group doing regular narcotics cases.

Mr. MARCONE. Okay. Did they say anything further about the Occhipinti case at that meeting?

Mr. LEMER. About the Occhipinti case?

Mr. MARCONE. Yes.

Mr. LEMER. They just went over some things about how my group was formed and all that, and then they asked me, I said to them that, you know, Lee Brown had sanctioned it, that then Commissioner Ray Kelly was the first Deputy at that time, and then the U.S. Attorney said well, I should put you

And I said, whatever, that's your prerogative, whatever you wish.

I was trying to explain to them that this was, you know, that we were doing a legitimate investigation and we weren't there, we were not there to investigate Joseph Occhipinti as to whether or not he was clean or not. That was not our function, and that's not what we did.

You know, if something had come up, and I told him that, if something had come up that showed any kind of exculpatory type of factual evidence, we would have, you know, done something or we would have passed it along, but that was not our objective, and it definitely wasn't our mission.

Mr. MARCONE. I only have two more questions. This question has to do with the Federation of Dominican Businessmen and Industrialists.

In the course of your work with the task force, have you ever come across credible evidence that key members of the Federation—and by key members, I would mean Board members—were involved in drug distribution and money laundering?

Mr. LEMER. In December of '92, I interviewed a defendant, okay, who was cooperating who was a past president of the Federation of Dominican Businessmen and Industrialists.

At that time, he was out on the street wearing an ankle bracelet and he was going to become a witness for the prosecution in a major drug case.

At that time, I asked him about Seacrest Trading. I asked him about the Federation and what they did, et cetera. He had said that he was a past president, that he wasn't involved any longer, et cetera.

I never specifically asked him about the Federation. I did basically ask him whether or not they were legitimate, okay. And he said that he wasn't involved with them any longer, that he'd had some sort of a falling out—well, it seemed to point, substantiated that one of the original companies that I was investigating in the original report was in fact loan sharking. And he explained to me precisely how they went about it.

And at that point, I couldn't speak to him any longer because he hadn't signed a co-operation agreement and the U.S. Attorney said she didn't want to get into a position where he would later on not sign the agreement but yet go to the judge and say, I did this and I did this.

So we held off and two weeks later, he was shot and killed in front of his office.

Mr. MARCONE. Okay. Are you saying that, yes, you did have evidence, credible evidence that members of the Federation were involved in—

Mr. LEMER. Well, no, I didn't. He never came out specifically and said it, but I was going to leave that for another time and there was no other time.

Mr. MARCONE. Did you ever indict—were indictments ever handed down against any Federation members?

Mr. LEMER. No, there weren't.

Mr. MARCONE. Did you ever come across any evidence that any of the complainants in the Occhipinti case were engaged in illegal activity?

I'll give you one specific name and maybe make it easier.

Did you ever come across any credible evidence, or are you aware of any indictments that were made against one Jose Liberato?

Mr. LEMER. No, No, there were none.

Mr. MARCONE. Never indicted?

Mr. LEMER. No, he was never indicted. A close family member was for narcotics and I believe it was narcotics. I don't think it was money laundering. It was definitely narcotics. His brother was and his other brother ap-

Mr. MARCONE. Have you ever spoken to law enforcement officials at any level that believed or told you that they had evidence that there was in fact a conspiracy by the Dominican drug cartel to frame—

Occhipinti?

Mr. LEMER. I spoke to one DEA agent who provided me verbally with information that in 1991, he became aware that the Southern District of New York, while conducting the grand jury investigation, had a witness testify, who had in fact perjured himself, and to that end, he notified them having been at a particular incident, he was in prison when it was alleged that Occhipinti had searched both the person's store, this guy Richard Knipping, or Nipping, Richard's store and his home.

And the DEA agent said when he—

Mr. MARCONE. Was the DEA agent's name John Dowd?

Mr. LEMER. Yes.

Mr. MARCONE. Okay.

Mr. LEMER. Yes. When he was present at the Southern District and he read the indictment, this post-indictment, he saw these two counts which related to this particular date and these particular events, he told the two investigators that that did not in fact occur.

And they apparently said to him that, how did he know, he wasn't there.

He then informed them that he was in fact there along with an IRS agent as well, and that not only had they received permission to search the individual's store and that they hadn't searched the individual's apartment because he had invited them to get his passport and at no time had they searched his apartment.

Their answer to him was, well, are you sure you were there.

He said did something happen in the elevator, and the agent, John Dowd, said, yes, there was some powder on the floor, soap powder, and I made the comment that, Geez, look at the building you live in, there's even stuff on the floor. And they all chuckled about it.

And then they responded, oh, you were there, in total amazement, and so he said, yes. He said, and none of this is true.

Mr. MARCONE. As far as you know, were the charges against Mr. Knipping dropped, the charges that that particular part of the indictment, was that subsequently dropped?

Mr. LEMER. Those two counts of the indictment were dropped and John Dowd to this date, asked me, he said, if they were dropped, number one, why wasn't he charged with perjury? It's obvious he lied to the grand jury.

And number two, was anybody informed about this? Dowd kept saying he expected somebody to call him because he had gone on a couple of these things with them and he realized that if this one individual had perjured himself, and nobody had bothered to check, you know, as a matter of fact, John Dowd mentioned to me that he had said to the two investigators, why don't you check with the people who are present at these things.

And they said, their answer to him was something to the effect well, you know the blue wall of silence we get. We can't count on that.

Mr. MARCONE. How long have you been a law enforcement officer?

Mr. LEMER. Twelve and a half years.

Mr. MARCONE. Prior to Mr. Occhipinti's indictment, were you ever aware of an instance where a law enforcement officer was indicted and tried on charges related to illegal search and seizure?

Mr. LEMER. No. As a matter of fact, it's my understanding that this is the first law enforcement officer ever brought up on those

Mr. KWALASSER. Let's qualify that to remain that it's Sgt. Lemer's knowledge.

Mr. LEMER. Right.

Mr. MARCONE. Okay that should be recorded.

In your experience, how normally is a charge of illegal search handled?

Is it handled administratively, and within the New York City Police Department, how would they if they had evidence that an officer had illegally obtained information in a search, how is that normally handled, in your experience?

Mr. KWALASSER. Well, I don't think Sgt. Lemer's in a position to answer that.

Mr. MARCONE. Well, I'll withdraw that.

I have a question about this—have you been contacted by a superior or any official who told you not to cooperate with this particular Congressional investigation?

Mr. LEMER. No.

Mr. MARCONE. No. Okay.

The only other question I have is have you ever been involved in an instance where you worked closely with the U.S. Attorney's office on an indictment of an individual?

Mr. LEMER. Yes. In the course of my normal business, I normally either work closely with a U.S. Attorney, an Assistant U.S. Attorney or a district attorney.

Mr. MARCONE. And is it your experience in investigations of illegal activity by an individual that it is standard practice, before an indictment is handed down, for the U.S. Attorney's office to interview all potential witnesses who may have actually witnessed an illegal act?

In other words, let me pose a hypothetical. Let's say you're investigating someone for dealing drugs and this person has dealt drugs on 20 different occasions.

Would it be standard procedure for the U.S. Attorney's office, in your experience, for them to interview any witnesses that they are made aware of, prior to the indictment, that may have witnessed the individual performing the illegal act?

Mr. LEMER. Yes, that's standard procedure.

Mr. MARCONE. They would interview every witness that they were aware of?

Mr. KWALASSER. Now you're asking Sgt. Lemer in his own experience.

Mr. LEMER. I can only say that I would interview.

Mr. MARCONE. But you would consider that to be good law enforcement?

Mr. LEMER. Yes.

As an investigator, I would interview everybody that I felt had information.

Mr. MARCONE. And according to DEA Agent Dowd, that was not done in the Occhipinti case?

Mr. LEMER. No. According to John Dowd, as a matter of fact, he made mention of it to me specifically that he made mention of it to them, that that hadn't been done obviously in this case.

Mr. MARCONE. That law enforcement officers who accompanied Mr. Occhipinti on many of these searches in question, that were direct eye witnesses to the incident, were never interviewed by the U.S. Attorney's office?

Mr. LEMER. That is correct.

Mr. MARCONE. Okay. At this point, this is all the questions I have. Okay?

Mr. LEMER. Okay.

Mr. MARCONE. All right. I appreciate your time, and like I said, I will make a transcript of this entire interview, and I will send both you and Sgt. Kawlasser a draft of it, and ask you to make any corrections, and to look at

it before we actually make it a final copy of the transcript.

Mr. LEMER. Okay fine.

Mr. KWALASSER. Is this going to be edited into the record?

Mr. MARCONE. We don't know yet. Certainly we'd like to take a look at the transcript and I would say that there's a good chance that we might insert this into the Congressional Record.

Mr. LEMER. Mr. Marccone, I just want to make it clear that we were in fact not investigating Occhipinti.

Mr. MARCONE. Right.

Mr. LEMER. And so, and we never came up with any concrete information or evidence that he was in fact framed. Just that, you know, through different sources who now a lot of them are not available, and then all the other instances, as I've delineated them to you.

Mr. MARCONE. But from what I gather, from what you've told me today, that in the course of your investigation, which had nothing to do with the Occhipinti case, some of the people you spoke to voluntarily offered information concerning the Occhipinti case and the information they offered me was hearsay evidence, but nonetheless they voluntarily came forward with evidence and information that Occhipinti may have been the victim of a Dominican drug cartel conspiracy?

Is that correct?

Mr. LEMER. That is correct, yes.

Mr. MARCONE. Okay, that's all I have.

Thank you very much.

Mr. LEMER. Okay, Mr. Marccone.

(Whereupon, the interview with Mr. Lemer was concluded.)

for the national benefits package in the Clinton plan.

Langlais said he also worries that health maintenance organizations and health plans will still find ways to discourage utilization by low-income families with many medical and social problems.

Several Community Clinic patients covered by Medicaid switched earlier this year to an HMO that handles Medicaid patients. Now they want to switch back to Community Clinic, according to administrator Michael J. Mercurio of the Silver Spring facility. Mercurio recalled a situation in which the HMO wasn't able to set up an appointment for a child with fever for two days. The mother brought the child to Community Clinic. But the HMO refused to authorize treatment. So the mother paid Community Clinic a small out-of-pocket fee for seeing the child.

The future of clinics such as Langlais's under the new system is uncertain. "We have the expertise to handle this population, making sure there's follow-up, that people get to their doctor, that we get back the results of tests. But will the health alliances incorporate us in the mix? I don't know."

There is also the larger question of whether health reform automatically will translate into better care for the poor. In theory it should.

But the General Accounting Office reported in 1991 that there was "little evidence that Medicaid coverage alone can improve the rates of early prenatal care utilization." It cited a study in Tennessee that found "no concomitant improvements in the use of early prenatal care, birth weight, or neonatal outcomes" following the expansion of Medicaid coverage in the 1980s.

According to Lois Moore, president and chief executive officer of the Harris County hospital district in Houston, 30 percent of the women whose babies are delivered at the hospitals she runs have had no prenatal care—even though most have Medicaid or would be eligible for it.

Daniel H. Hawkins Jr., research director at the National Association of Community Health Centers, said that outreach services and health facilities where the poor need them did not keep pace with the expansion of Medicaid eligibility in the 1980s.

"We brought them [new Medicaid enrollees] into the system without changing that system. We got them past the financial barrier; now we've got to tackle the more complicated problem: How can we provide care without the financing eating us for lunch?"

#### INTRODUCTION OF THE MIDDLE EAST PEACE AND DEVELOPMENT ACT OF 1994

**HON. TIMOTHY J. PENNY**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 8, 1994*

Mr. PENNY. Mr. Speaker, I rise today to introduce legislation which would require the President of the United States to direct the establishment of a Middle East Development Initiative [MEDI] to provide development assistance to the people of the Middle East for the purpose of promoting the peace process in that region.

This legislation authorizes \$260 million per year for the next 3 years for the MEDI. This bill includes a pay-as-you-go provision to pay for the MEDI—a provision reducing United States foreign assistance by 5 percent, from

the fiscal year 1994 levels, for the countries of Israel and Egypt.

Under this initiative, development assistance will be available to those countries which are engaged in bilateral or multilateral discussions or negotiations which promote the peace process in the Middle East region. Development assistance will also be made available to organizations or communities in the West Bank and Gaza which are engaged in the peace process.

In fiscal year 1994, the United States is providing a total of \$36.5 million in development assistance to the Middle East region. However, the United States provides a total of \$3.1 billion in military assistance to the region, plus an additional \$2.03 billion in economic assistance—much of which is used for military spending.

Clearly, the United States will need to increase its commitment to economic and political development in the Middle East as the peace process continues in the next several months. Every country in the Middle East, including Israel and Egypt, will be eligible for funds from this initiative so long as they are engaged in the peace process. This legislation simply transfers foreign assistance funds from two Middle East accounts to another Middle East account in order to provide necessary development assistance funds to people in the region.

I ask Members to cosponsor the Middle East Peace and Development Act of 1994.

#### KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 8, 1994*

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD additional key evidence in this case.

#### AFFIDAVIT—STATE OF NEW YORK, COUNTY OF RICHMOND

Hector Rodriguez, being duly sworn deposes and says:

1. My true and correct name is Hector Rodriguez and I am a resident of the State of New Jersey.

2. On January 24, 1992, I executed a seven page affidavit outlining undercover work I performed on behalf of former Immigration Officer Joseph Occhipinti. On October 18, 1991, Officer Occhipinti was unjustly convicted for civil rights violations based upon perjurious testimony by several Dominican merchants, who were portrayed as law abiding. My investigation clearly showed that the majority of the complainants are criminals, continually involved in various crimes, such as drugs, loan sharking, gambling activity, among others.

3. I have conducted additional undercover work since my last affidavit which is described below.

#### SUPERSTAR RESTAURANT

A. On January 25, 1992, I did undercover work at the "Superstar Restaurant" located at 1049 St. Nicholas Avenue, New York, New York. I wanted to know if drug trafficking activity was taking place at the restaurant because at Officer Occhipinti's trial, employ-

ees from Superstar testified that the restaurant was not a known drug location. My investigation has clearly proven that testimony to be false since the Superstar Restaurant is frequented and used by many drug bosses from the San Francisco De Macoris Drug Cartel. Additionally, its employees participate in many of its drug activities in public view. The basis of this belief are as follows:

B. On January 25, 1992 one of my relatives and I went to the Superstar Restaurant and overheard a conversation between a known drug boss from San Francisco DeMacoris called "Rafi". Participating in the drug conversation was the day manager of Superstar called Pasqual. I also heard him being called "Jose." The conversation was drug related and was tape recorded by myself.

C. On January 25, 1992, my relative and I returned to the Superstar Restaurant. We met a known drug boss from San Francisco De Macoris. I will not identify this drug boss at this time for security reasons. I told the drug boss and Jose we were interested in buying a kilo of cocaine and had a price quote of \$22.00 per gram. The drug boss said he could sell a kilogram of cocaine for \$21,500 per kilo. Present during the conversation was "Jose", the night manager from the Superstar Restaurant. I told the drug boss I would talk to my people about the deal. He gave me his beeper number and told me to call him on January 26, 1992. In the restaurant there were other drug deals taking place. In fact, I saw a couple of its customers snorting the cocaine right in the restaurant. This conversation was tape recorded. (Exhibit "A")

D. On January 28, 1992, about 8:00 P.M., I returned to Superstar Restaurant and met with Jose the manager and the drug boss. I was given the sample package of cocaine from the drug boss, who confirmed that he had ready for sale one kilogram of cocaine for \$21,500. I immediately turned over the cocaine sample to Inside Edition, who turned the cocaine over to the police as evidence. The conversation was monitored and videoed by Inside Edition.

E. It is apparent to me that Superstar Restaurant is a known drug location, where drug deals are made on a daily basis. Also, its employees are active participants in its drug dealing activities. Therefore, if these four witnesses testified to the contrary, they perjured themselves.

#### CRUCEY GROCERY

A. On January 28, 1992, I went to the Crucey Grocery and was introduced to Altagracia Crucey. Inside the Bodega were Freddy and Guandole, who is discussed in my first affidavit. We began to talk about the planned drug sale in the presence of Altagracia Crucey. I explained that I had gotten a cheaper price for cocaine from another source, however, I wanted to compare their quality. Guandole told me they were going to open up a new kilo package of cocaine and would give me a sample. I agreed. Guandole also wrote down his beeper telephone number, which was held as evidence. The conversation was monitored and videoed by Inside Edition. (Exhibit "B").

#### UNIVERSE TRAVEL AGENCY

A. On February 10, 1992, I went to the Universe Travel Agency at 102-04 Roosevelt Avenue, Corona, New York and spoke to the owner, Pedro Castillo-Reyes regarding the illegal transfer of drug money to the Dominican Republic. Mr. Castillo-Reyes is believed to be one of the Federation members who set up Officer Occhipinti. I explained to Mr. Castillo that I was a drug dealer from upper Manhattan and was interested in illegal transferring every 9 days, \$20,000 in drug money to Santo Domingo. At first, he want-



ed to know who recommended him and also wanted to see my identification. Once I showed him my identification he explained to me he had to be very cautious because "Federal Agents" were investigating him and things were hot. Mr. Castillo-Reyes said "OK" and promised me that after his first delivery of my drug money, he would introduce me to some of his sources, which he inferred were drug related. Mr. Castillo-Reyes said he would charge me \$200.00 to transfer the money. (Exhibit "C")

#### LIBERATO SUPERMARKET

A. On February 7, 1992, I began my investigation of Jose Liberato who owns two large supermarkets in upper Manhattan. Mr. Liberato is a well known merchant in the Dominican community because he does daily advertising on Spanish T.V. and newspapers. Mr. Liberato was one of the leading witnesses against Officer Occhipinti and is related to Rhadames Liberato and Enrique Checo, who I previously investigated. In order to get background information on Mr. Liberato, I spoke to a major supplier of untaxed Dominican rum, who admitted previously supplying Mr. Liberato with untaxed rum. The source agreed to introduce me to Mr. Liberato. My source confirmed that Jose Liberato owns about eight Bodegas in the community, many of which are registered in the names of other people. The source confirmed the allegations that Mr. Liberato is a major drug boss and loan shark. My source confirms Jose Liberato sells cocaine in large quantities (multi kilo weight). My investigation is still ongoing.

#### SEA CREST TRADING COMPANY

A. On February 8, 1992, I went to the Associated Supermarket at 2262 Jerome Avenue, Bronx in order to meet with Ricardo Knipping, the owner. Mr. Knipping was the first Bodega owner to make a complaint against Officer Occhipinti as well as testify against him in the Grand Jury. The purpose of my investigation was to verify Mr. Knipping's involvement in loan sharking through a company called "Sea-Crest Trading Company." When I met Ricardo, I made up a story that I was a successful drug dealer, who had saved up \$100,000 in cash and was interested in buying a supermarket in New Jersey. I asked Ricardo if he knew anyone who could lend me the balance of \$150,000, in order to buy the Bodega. I explained to Ricardo that I couldn't go to a bank since I could not legally prove how I got the \$100,000 deposit. In response, Ricardo explained that he is a member of a "federation" who helps Bodega owners borrow money without there being a legal registration of the money. Ricardo told me the interest rate would be 24% annually. Ricardo told me that in the event Sea Crest Trading did not approve of the Bodega I wanted to buy they could set me up in one of their own supermarkets. During the conversation I also mentioned to Ricardo that I had about \$20,000 in stolen food stamps which I intended to launder through the Bodega I wanted to buy. He sounded very interested in it and began asking me a lot of questions. He cautioned me to be very careful since I could lose my license if caught. We concluded our conversation by Ricardo giving me, in his own handwriting, the name of "Pedro Dominguez", telephone 994-6110, who is with Sea Crest Trading Company. Ricardo told me to call next week to make up an appointment, where we all would get together to discuss the loan. The conversation was tape recorded. (Exhibit "D")

B. On February 10, 1992, I went to the Sea Crest Trading Company at 4748 Bronx Boulevard, Bronx, New York and met with Pedro Dominguez. Apparently, Mr. Knipping had already spoke with Pedro because he knew about my case and my interest in borrowing

money. I again explained to Pedro the fact I was a drug dealer with \$100,000 in drug money interested in investing in a Bodega in Perth Amboy, New Jersey. I told him things were hot in the street, for example, last week I had lost \$30,000 on a kilo of cocaine, which I had to throw away in order to avoid being arrested. During our conversation, Pedro removed his coat and took out two guns which he placed in a desk draw. He called in his partner, an American man, who spoke english with an Italian accent. Mr. Dominguez, acted as a translator explained to the owner my situation. The owner told me that he didn't want to lend me the money for a Bodega in Perth Amboy, New Jersey because he had no accounts there. However, he told me there were several Bodegas he could get for me in Newark for the same price. We agreed that we would meet tomorrow at which time he would show me the Bodegas in Newark. Mr. Dominguez gave me his business card which read "Pan American Enterprises." Inside Sea Crest were about 10 employees. I was told that there was a Bodega owner, called Rafael Taveras from upper Manhattan in the lobby who was making his loan payment. There was technical difficulty in tape recording, however, a portion of the conversation was mentioned. (Exhibit "E")

C. On February 11, 1992, I called Pedro Dominguez and canceled the appointment telling him that I had to return to the Dominican Republic because a relative was sick.

#### UPTOWN TRAVEL SERVICE/REMESA QUISQUEYANA

A. On February 7, 1992, I went to the Uptown Travel Agency at 3750 Broadway, New York, New York and met with Reymundo Tejada, the owner. I explained to Reymundo the fact I was a drug dealer interested in sending 20,000 in drug money to the Dominican Republic. He referred me to go to Remesa Quisqueyana and wrote down on a piece of paper the name and address. Reymundo said he could handle that quantity out of his travel agency. Uptown Travel is an agent for Remesas Quisqueyana. The conversation was tape recorded. (Exhibit "F")

B. On February 7, 1992, I went to the Remesas Quisqueyana at 3499 Broadway, New York, New York and spoke to one of its bosses, "Corporan". I showed him the note Reymundo had given me and told him about my interest in wiring the drug money. Corporan told me he would wire the drug money down in four separate transactions in order to avoid notifying the government. Corporan told me that the charge was \$70.00 and that he was able to illegally transfer up to one million dollars recorded. (Exhibit "G")

4. I am willing to assist law enforcement authorities in any further investigation of these violators.

HECTOR RODRIGUEZ.

IN HONOR OF MARTHA GRIFFITHS  
ON THE 30TH ANNIVERSARY OF  
HER SPEECH FOR THE INCLUSION  
OF WOMEN IN THE CIVIL  
RIGHTS ACT OF 1964

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 8, 1994

Mr. FORD of Michigan. Mr. Speaker, I rise today to pay tribute to a person I greatly admire. During her 20 years in the House, Martha Griffiths dedicated her efforts to fighting for

equality for women in all aspects of American life—most notably in the workplace.

Martha Griffiths represented the 17th Congressional District of Michigan from 1955 to 1975. Paving the way for women in positions of power, she became the first woman member of the House Ways and Means Committee. Perhaps her greatest accomplishment in Congress came after her persuasive argument for the inclusion of women in the landmark 1964 Civil Rights Act. Battling an overwhelmingly male Congress, Martha's speech convinced her colleagues that true equality in the workplace could not be achieved by side-stepping the issue of gender discrimination. During floor debate, she reasoned that, "a white woman, when she asks for . . . [a] job is turned away, has no recourse, and nobody on earth has to explain for it." Thanks to Martha's determination, the act passed with the amendment creating the foundation for an equal playing field for women.

Martha was not one to compromise on issues of importance. Regarded as the mother of the Federal Equal Rights Amendment—Martha successfully guided this legislation through the House in the 91st Congress. Even though the battle for the Equal Rights Amendment did not end with its adoption, the fight had an empowering affect on many women's lives. ERA galvanized the women's movement—unifying women of diverse backgrounds based on the shared conviction that their rights should no longer be denied on the basis of their sex. Martha's strong leadership on ERA is remembered for its contribution to the movement as a whole as well as the key role she played in gaining its passage in Congress.

I hope that young people who aspire to public office today will look to Martha Griffiths' career as a model for their lives. Her contribution to the Civil Rights Act of 1964 demonstrates the difference one person can make in the lives of over half of the population. In addition, an important lesson can be learned from Martha's work on ERA. In my view, her work for this cause demonstrated that it is better to fight for one's beliefs, even if the goal is not achieved, than to never have attempted to bring about positive change. A battle fought today—win or lose—will undoubtedly pave the road for the success of future reformers. Her recent induction into the National Women's Hall of Fame in Seneca Falls, NY, is a fitting tribute to her work. I am proud to know and to have worked with Martha. She has truly made her mark on the history of this Nation.

#### INTRODUCTION OF DISASTER TAX RELIEF LEGISLATION

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 8, 1994

Mr. BERMAN. Mr. Speaker, I am today introducing legislation that would permit beleaguered disaster victims to deduct 100 percent of their casualty losses when calculating their Federal personal income taxes.

After seeing the destruction caused by the Northridge earthquake and talking with hundreds of its victims, I realized that present tax law is clearly inadequate in disasters of this magnitude. The tax code acknowledges that it is appropriate to deduct uninsured property



effective, against the scourge of illicit narcotics.

As these important cooperative strides continue, permit me to share with you some insights I have gained in over twenty years of action and legislative involvement in counternarcotics efforts.

In fighting illicit narcotics, no one government action or program by itself is sufficient. There must be a combination of programs to address both the supply and demand aspects of this epidemic. The narcotics problem cannot be overcome by concentrating all one's resources on the demand side of treatment, education and rehabilitation efforts alone.

Any successful drug war must truly be comprehensive and fought simultaneously on many fronts. It must contain components that support eradication and alternative development for producing countries, effective interdiction and enforcement programs, along with education, treatment and rehabilitation efforts at home. Any emphasis of one to the detriment of the other, simply doesn't work.

Over the last few years, the United States has gained invaluable experience in fighting narcotics production, distribution, and use. Together, we should build on these experiences and increase cooperation with all our allies around the globe to defeat this plague.

We stand ready to further those cooperative and productive relationships that can benefit all of our people, and generations to come, in defeating the scourge of drugs.

#### TRIBUTE TO CAROLYN SANDERS-JAMES

#### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1994

Mr. TOWNS. Mr. Speaker, it is my pleasure to acknowledge the vast contributions and achievements of Carolyn Sanders-James. Carolyn is a native of South Carolina and has lived in New York City since 1963. She received her undergraduate degree from Pace University, and a master's degree from Long Island University.

Carolyn's life is rich with achievement and service. A politically active person, she serves as the vice chair of the Democratic County Committee in Brooklyn. She currently works full-time as a special liaison for Council President Andrew Stein.

Everywhere Ms. Sanders-James has worked she has made a vital contribution. As a manager at Morgan Guaranty Trust Co., she specialized in community reinvestment service programs. She has been instrumental in developing economic development packages for the 55th Assembly District.

Some of her notable accomplishments include the development of a joint program with St. Mary's Hospital and Paul Robeson High School students to help crack-addicted babies. Carolyn was recently honored for winning State funds for the Bedford-Stuyvesant Volunteer Ambulance Corps, the only black volunteer ambulance corps in the State of New York.

Carolyn also has been instrumental in establishing a Meals-on-Wheels Program for senior citizens of Greater Bibleway Church in Brooklyn, and a health workers training program between Medgar Evers College and Pratt Institute.

A recipient of numerous awards for civic and community service, she is a member of the Coalition of African-American Elected Officials, and the Central Mobilization Political Club.

#### KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

#### HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 23, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD the first part of a sworn affidavit from one Luis Rodriguez:

#### STATEMENT OF LUIS RODRIGUEZ—STATE OF NEW YORK, COUNTY OF NEW YORK

1) Luis Rodriguez, being duly sworn deposes and says I am a Dominican national and a naturalized United States citizen residing in the State of New Jersey.

2) In April and May of 1991, I agreed to work as an undercover investigator for a private investigator called David Venezian.

3) The goal of the investigation was to prove that certain Dominican merchants in upper Manhattan were involved in various crime. These merchants claiming to be honest merchants testified against the Immigration officer Joseph Occhipinti had violated their civil rights and in some cases stolen money.

4) I agreed to do this undercover work at great personal risks and free of charge. The reasons were many: Mr. Occhipinti is well respected in the Dominican community for helping illegal aliens and fighting the drugs dealers and criminals who kill our children; also, Mr. Occhipinti arrested my sister about fifteen years ago as an illegal alien. He never abused her or violated her rights as these merchants say. In fact, he helped my sister to get her green card and eventually became a US citizen.

5) In April, 1991 I began to enter various Dominican bodegas and stores posing as a drug dealer from New Jersey interested in buying and selling all kind of illegal things. In these conversations I gave permission to have my conversations monitored with a tape recorder. I succeeded in proving that these merchants were involved in some of the following illegal activities: smuggling aliens, selling false documents, drug trafficking, gambling, illegal wiring of drug money to the Dominican Republic, IRS frauds, illegal sale of untaxed liquors and others. During these investigations, I successfully bought illegal bolitas (illegal gambling numbers), untaxed rum and false documents. I also negotiated the sale of stolen property, drug trafficking and illegal money transfers.

6) During this period, I conducted undercover work at the following businesses which relate to the witnesses who testified against the Officer Occhipinti.

#### THE CRUCEY GROCERY

(1) On April 19, 1991, I went to the Crucey Grocery at 3882 Broadway, New York, New York. I placed an illegal bet and bought untaxed rum from an employee.

(2) On May 6, 1991, I met with Altigracia Crucey who was the owner of the Bodega and one of the witnesses who testified against Mr. Occhipinti. I told her I had a truck load of stolen beer that I wanted to sell. She told

me she was afraid at this time to buy it because she was a government witness. She explained to me that she had been pressured to testify by the prosecutor, who was also telling her how to testify. She was upset about being a witness because the government kept on going to her house. She admitted being arrested by Immigration for having a gun. She told me that she was thinking of suing the government because she had a miscarriage.

(3) I have been told that Ms. Crucey testified at trial that her bodega doesn't sell untaxed rum and bolitas. She also denied ever negotiating with me to buy the stolen beer. That testimony was a lie and could be verified by hearing the tape.

#### LIRANZO GROCERY

(1) On April 22nd, 1991, I spoke to the wife of Antonio "Santana" Marte at the Liranzo Grocery, 352 Audubon Avenue, New York, New York regarding the sale of stolen beer. The wife told me to speak directly to "Santana" and gave me his telephone number, (212) 928-2266.

(2) On April 27th, 1991, I called "Santana" about the stolen beer. He explained to me he was afraid to buy it because the beer was from New Jersey and did not have the five cents return stamp on the can. I also discussed with "Santana" about buying a case of untaxed Dominican rum. He told me that there was a shortage of rum because recent shipments of rum were confiscated by US Customs after they found cocaine.

3) On April 30th, 1991, I met with "Santana" at the Liranzo Grocery in order to discuss the sale of the stolen beer.

I made up the story that Immigration had confiscated some of my rum. At that time, "Santana" told me that he was a government witness against an Immigration officer. He was bragging how he admitted to the court being an illegal alien and how he entered the United States with someone's passport. He explained that the prosecutor promised him and other witnesses that if they testify against the officer, they will no longer be bothered by the police or Immigration. So, he agreed. "Santana" bragged how he told the prosecutor he was still selling "bolitas" and did not intend to stop. The prosecutor never responded to his statement. "Santana" said that when the newspaper articles came out against the Immigration officer saying he had stolen money from Liberato, "Santana" received a phone call asking him "how much money are you going to say was taken." "Santana" also said that the prosecutor had changed the first Judge in order to get a stricter Judge. He identified the Judge as being a black woman. "Santana" said that on April 29, 1991, the prosecutor had a private meeting for the witnesses testifying, he cautioned them to be careful because people may be coming around to them asking questions.

4) I have been informed that the trial "Santana" denied any interest in buying the stolen beer because it was illegal. That was a lie. The only reason he refused to buy the beer because it did not have the five cent return deposit stamp as required in New York State.

#### LIBERATO GROCERY

1) On April 19, 1991, I placed a gambling bet at the Liberato Grocery located at 369 Audubon Avenue, New York, New York.

41 52

INTERVIEW IN S.D N.Y.

April 16, 1991

[redacted]  
Assistant Special Agent in Charge  
Division 10

[redacted]  
Special Agent  
Group 14

THRU [redacted]

Group 14

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On April 5, 1991 Special Agent [redacted] met with Investigators [redacted] and [redacted] in the Southern District of New York at the request of [redacted]. The 12 p.m. meeting was arranged in order for S/A [redacted] to meet with the two Assistant U.S. Attorneys and above investigators handling the impending trial after indictment of [redacted]. He was charged with various counts of violating civil rights through illegal searches and theft of money found during certain searches.

S/A [redacted] arrived for the interview and met with Inv. [redacted] who was alone in the eighth floor office. He explained that [redacted] and the two assistants were involved in other business at that time. S/A [redacted] obtained a copy of the twenty five page indictment and briefly read through it as Inv. [redacted] asked S/A [redacted] about a company by the name of Sea Crest, a firm that was under investigation by D.F.A. and the Manhattan District Attorney's Office in a joint investigation of Capital National Bank (C1-90-0101). S/A [redacted] explained the role of Sea Crest in suspected skylooming, extortion, and drug smuggling in the Bronx and Washington Heights area. The scheme involved numerous "bodegas" in the aforementioned areas and S/A [redacted] explained how this led to his meeting S/A [redacted] "Operation Bodega" involving the use of bodegas in the illegal immigration of various Hispanic and their employment by such stores which are also "fronts" for illegal gambling money laundering, food stamp violations and drug dealing.

Inv. [redacted] stated that [redacted]  
[redacted]  
[redacted] S/A [redacted] advised [redacted] that [redacted]  
[redacted] had briefly explained the background over the phone.

[ ] had stated that [ ] was in charge of a group of [ ] and that they had very little experience in such searches. [ ] further stated that some "green assistants" handling the cases had raised doubts about the validity of the searches. He said the cases were then referred to the Department of Justice O.I.G. The O.I.G. found evidence of wrongdoing and returned the cases to the Southern District of New York. The "Southern District" felt that the O.I.G. investigation was inadequate because they had done "desk investigations" rather than "field interviews". [ ] said they then broke down the cases into three groups. Cases involving arrests of those with criminal records were put aside. Cases where no arrest was made but a criminal record was found were put aside. Only cases where no arrest occurred and no criminal record appeared were selected for interviews. These people were "assumed" to be "legitimate" bodega owners. S/A [ ] stated that it could also be assumed that these individuals were possibly smart enough not to have been caught in the past. This conversation occurred on April 4, 1991 over the telephone with Inv. [ ]

As the interview with [ ] continued, S/A [ ] referred [ ] to the indictment. Count Six alleges that on or about January 17, 1990, [ ] conducted a warrantless non-consensual search of a grocery store at [ ] and another count charges an illegal search of the residence [ ]. S/A [ ] advised [ ] that S/A [ ] and I.R.S. [ ] were present at the grocery store and also accompanied the [ ]

S/A [ ] noted [ ] surprise on learning that [ ] and [ ] were present. [ ] said he didn't know these facts, as he was under the impression that another INS agent had gone to the apartment. S/A [ ] stated that [ ] had voluntarily gone to the apartment and invited the agents to accompany him in [ ] own vehicle. S/A [ ] further stated that no search had been performed by [ ] at the apartment.

Shortly after this exchange, Inv. [ ] entered the office and the interview continued following a summation by [ ] of the conversation up to that point.

S/A [ ] reiterated that the January 17th search had not occurred and that due to the fact that [ ] did not know [ ] or [ ] that well, it would be bizarre to believe that [ ] would perform an illegal search in their presence. S/A [ ] expressed amazement that a charge was brought against [ ] on the strength of an unsubstantiated allegation without an attempt to verify the truth. [ ] stated that allegations were made by several bodega owners in the Washington Heights area. S/A [ ] stated that the bodegas in Washington Heights are very often fronts for gambling and other

-3-

criminal activity such as drug trafficking and money laundering. [ ] stated that when one sees a huge Pathmark Supermarket in the neighborhood and three bodegas directly across the street, one can assume that they are not just selling groceries. [ ] stated that it was indeed possible. [ ] stated that gambling was a common occurrence in Washington Heights and that [ ] should not make a blanket statement about the entire neighborhood. When [ ] asked [ ] why he had not interviewed law enforcement personnel prior to the indictment, [ ] replied that they did not want to come up against "the blue wall of silence" that occurs where a "cop" is being investigated. S/A [ ] replied that [ ] was now blanketting the law enforcement profession in the same way he accused [ ] of doing to Washington Heights.

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Following this exchange, it was revealed by Inv. [ ] that they had interviewed all of the complainants in regard to their relationship with Sea Crest. S/A [ ] expressed shock and dismay that they had seen fit to compromise an official investigation in the Southern District without any consultation with the agencies conducting the investigation. [ ] further stated that [ ] had apparently caused much uneasiness on the part of certain interests in Washington Heights and perhaps there was pressure exerted to eliminate the threat. Inv. [ ] stated that both he and Inv. [ ] expressed their opposition to personally conducting an investigation of [ ] but that they were overruled and ordered to conduct the probe.

Inv. [ ] asked if S/A [ ] had given an itemized list of suspect bodegas to [ ]. S/A [ ] said no, that the Capital Bank case involved obtaining a list of Currency Transaction Reports from the bank and these contained numerous forms showing cash transactions in excess of \$10,000 by several bodegas. Certain targets may have resulted from referrals of such listed businesses to the Manhattan D.A.'s detectives also involved in the case. S/A [ ] stated that one of the detectives had stated that two separate informants implicated [ ]. S/A [ ] further stated that if the rest of the indictment was based on the kind of reliability attributed to [ ], a grave injustice was being done by indicting [ ]. Incredibly, at this point Inv. [ ] stated that "he can be unindicted too". S/A [ ] said he had not realized in twenty years of dealing with the law that such a phenomenon existed. Inv. [ ] then asked if S/A [ ] would check D.E.A. files for records on the businesses listed as complainants in the indictment. S/A [ ] was also asked if S/A [ ] could be reached at S/A [ ] office. S/A [ ] replied in the affirmative and the interview was terminated.

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It should be noted that although S/A [ ] was briefly introduced to one of the two Assistant U.S. Attorneys assigned to the case neither he nor the other A.U.S.A. took any part in the interview. S/A [ ] was also informed that S/A [ ] was not a target of the investigation.

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cc:

File

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AFFIDAVIT

Jose R. Nunez, Being duly sworn, deposes and states:

1. I execute this affidavit on behalf of Congressman James Traficant, Jr. who is investigating the alleged drug cartel conspiracy against former federal agent Joseph Occhipinti. I do not have first hand knowledge of the conspiracy, however I do have information about a company called Sea Crest Trading Company that I am told was implicated in the alleged conspiracy.

2. I own and operate the Los Cunedos Meat Market, 508 Broadway, Paterson, New Jersey and the Flamingo Siesta Restaurant, 235 Peakness Ave, Paterson, New Jersey. In 1993, my accountant, Luis Rojas, telephone number 201- 956-8002, secured me a \$33,000.00 business loan from Sea Crest Trading Company. I was required to pay weekly \$790.00 for one year (52 payments). I'm told that the estimated interest rate was 44.407%. The loan was paid off. About two weeks ago, I took out an additional loan from Sea Crest for \$44,000.00. I am required to pay weekly for one year and a half (78 payments) \$775.00. I am told that the estimated interest rate on the second loan is 44.792%. I attended both loan contract closings at the Sea Crest offices at Greenwich, Connecticut. I was told to sign many forms and never received a copy of the loan contract or papers I signed. The first payment check I received was made out in my name in the sum of \$30,000.00. I was required to take off the top of the loan \$3,000. which was equally shared in a join check by Sea Crest and my accountant. The second Sea Crest check was made out to another corporation. I don't remember it's name but it did not relate to me or my businesses. The Sea Crest check was given to my accountant who later gave me a check in the sum of \$35,550.00 and \$6,000.00 in cash. The accountant took as a fee \$2,450.00. I have attached as evidence of these loan payoffs. The original paid receipts I received from Sea Crest. My Sea Crest loan number was 3338-TH001. I usually make my weekly payments in cash which is picked up at my bodega by a Sea Crest courier every thursday morning. Unfortunately, most hispanic bodegas and restaurants are forced to pay high interest rate loans to Sea Crest since banks make it almost impossible to obtain a legitimate bank loan.

3. I have agreed to cooperate with the United States Congress and Police in their pending investigation of Sea Crest.

Sworn to and subscribed before me

this 22 day of December, 1994

Sworn to me the day of  
December, 1994

Jose R. Nunez

Luis N. Figueroa

Notary Public

NOTARY PUBLIC OF NEW JERSEY

MY COMMISSION EXPIRES APRIL 17, 1996

46 J7

FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code Maturity date (if any):

FOR OFFICE USE ONLY

N64340

Debtor(s) Name (Last Name, First) Complete Address

NUNEZ, JOSE R.  
CESPEDES, SERGIO A.  
D/B/A LOS CUNADOS MEAT MKT.  
508 BROADWAY  
PATERSON, NJ 07514

Maturity date (if any):

FOR OFFICE USE ONLY

Secured Party(ies) and Complete Address

SEA CREST TRADING OF  
CONNECTICUT, INC.  
111 MILL STREET  
GREENWICH, CT 06830

Assignee(s) of Secured Party and Complete Address

FILE

25.00pd at

This financing statement covers the following types (or items) of property:

any and all personal property, trade fixtures, inventory, equipment, contract rights, insurance proceeds, and the leasehold used in connection with the business located at 508 BROADWAY, PATERSON, NJ 07514 and all replacements thereto and additions thereof.

RECEIVED  
PASSAIC CO. N.J.

93 MAR 18 AM 9:31

FRANK W. SYLVESTER  
REGISTER

If collateral is crops or fixtures complete this portion of form.  
Description of real estate (Sufficient to identify the property).

FS061059

Name and complete address of record owner.

( ) Proceeds of Collateral are also covered. b. ( ) Products of Collateral are also covered. No. of additional sheets presented. ( )

( ) Filed with Register of Deeds and Mortgages of

County.

( ) Secretary of State

( ) Filed with the County Clerk of PASSAIC

County.



POPE, BERGRIN & TOSCANO, P.A.  
893 Franklin Avenue  
Newark, New Jersey 07107  
(201) 482-7766  
Attorneys for Plaintiff, Jose R. Nunez

JOSE R. NUNEZ

Plaintiff,

v.

SEA CREST TRADING OF  
CONNECTICUT, INC., and  
LUIS ROJAS

Defendants.

CLERK OF COURT  
JUL 1 1995  
SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION, PASSAIC COUNTY  
DOCKET NO. 2-405-95  
CIVIL ACTION

COMPLAINT, JURY DEMAND,  
DESIGNATION OF TRIAL COUNSEL,  
AND CERTIFICATION

Plaintiff, JOSE R. NUNEZ, currently residing at 508 Broadway, in the City of Paterson, County of Passaic and State of New Jersey, by and through his attorneys, Pope, Bergrin & Toscano, P.A., by way of Complaint against the Defendants, says:

FIRST COUNT (COMMON LAW FRAUD)

1. In or about December, 1993, the Plaintiff obtained a one (1) year loan from Defendant, Sea Crest Trading of Connecticut, Inc. Plaintiff was forced to repay said loan at an interest rate of 44.4% in violation of N.J.S.A. 2c:21-19. Plaintiff was advised by Defendant Sea Crest to make said weekly payments in cash only, to avoid the Defendant having to report same as income.

2. In or about December, 1994, the Plaintiff obtained a second loan in the amount of \$44,000.00. Plaintiff was required to make repayments with an interest rate at approximately 44.8% again in violation of N.J.S.A. 2c:21-19.

3. Said loans were usurious and were arranged by

48-49



Defendant, Luis Rojas, who appeared as Plaintiffs' personal Accountant.

4. Plaintiff Nunez never received copies of any of the Agreements/Contracts he executed with Defendant Sea Crest.

5. Defendant Sea Crest never advised the Plaintiff of the interest rate to be charged for said loans. Further, the Plaintiff, who speaks broken English, was never advised of the total cost of a loan.

6. Each and every one of the representations made by Defendants Sea Crest and Rojas were false when made and the Defendants knew same were false when made.

7. Plaintiff herein relied upon the fraudulent representations of the Defendants and reasonably did so, not knowing that the Defendants were perpetrating a fraud and illegal loan upon him.

8. The Plaintiff reasonably relied upon the representations made to him by the Defendants.

9. As a result of the reasonable reliance upon the misrepresentations made by the Defendants, the Plaintiff has been irreparably harmed.

WHEREFORE, Plaintiff Jose R. Nunez demands judgment against the Defendants Sea Crest Trading of Connecticut, Inc., and Luis Rojas for:

- (a) Compensatory Damages;
- (b) Punitive Damages;
- (c) Incidental Damages;

- (d) Consequential Damages;
- (e) Rescission
- (f) Reformation
- (g) An Order from the Court allowing Plaintiff to make no further payments on said loan until disposition of this matter.
- (h) Attorneys fees and costs of suit.
- (i) Such other relief as this Court may deem equitable and just.

SECOND COUNT [CONSUMER FRAUD]

1. The First Count of the Complaint is repeated herein as though set forth at length.

2. The Defendants herein utilized unconscionable commercial practices, deception, fraud, false pretense, false promise, misrepresentation and knowing concealment, all in connection with this usurious loan, in direct violation of N.J.S.A. 56:8-2.

3. As a result of the aforementioned consumer fraud perpetrated herein, the Plaintiff, Jose R. Nunez, has been irreparably damaged.

WHEREFORE, Plaintiff Jose R. Nunez demands judgment against the Defendants Sea Crest Trading of Connecticut, Inc., and Luis Rojas for:

- (a) Compensatory Damages;
- (b) Punitive Damages;
- (c) Incidental Damages;
- (d) Consequential Damages;

- (e) Rescission
- (f) Reformation
- (g) An Order from the Court allowing Plaintiff to make no further payments on said loan until disposition of this matter.
- (h) Attorneys fees and costs of suit.
- (i) Such other relief as this Court may deem equitable and just.

THIRD COUNT (USURY)

1. The First and Second Counts of the Complaint are repeated herein as though set forth at length.

2. The interest that Defendant Sea Crest is attempting to collect from the Plaintiff is usurious and in violation of State and Federal Law.

WHEREFORE, Plaintiff Jose R. Nunez demands judgment against the Defendants Sea Crest Trading of Connecticut, Inc., and Luis Rojas for:

- (a) Compensatory Damages;
- (b) Punitive Damages;
- (c) Incidental Damages;
- (d) Consequential Damages;
- (e) Rescission
- (f) Reformation
- (g) An Order from the Court allowing Plaintiff to make no further payments on said loan until disposition of this matter.
- (h) Attorneys fees and costs of suit.
- (i) Such other relief as this Court may deem equitable and

just.

FOURTH COUNT (CIVIL R.I.C.O.)

1. The First, Second and Third Counts of the Complaint are repeated herein as though set forth at length.

2. The actions of the Defendants herein constitute a violation of both the State and Federal Racketeer Influenced Corrupt Organization Acts.

3. In attempting to collect on the within illegal and usurious loan, the Defendants engaged in a complex scam which required the Plaintiff and his family to pay monies over a protracted period of time.

WHEREFORE, Plaintiff Jose R. Nunez demands judgment against the Defendants Sea Crest Trading of Connecticut, Inc., and Luis Rojas for:

- (a) Compensatory Damages;
- (b) Punitive Damages;
- (c) Incidental Damages;
- (d) Consequential Damages;
- (e) Rescission
- (f) Reformation
- (g) An Order from the Court allowing Plaintiff to make no further payments on said loan until disposition of this matter.
- (h) Attorneys fees and costs of suit.
- (i) Such other relief as this Court may deem equitable and just.

FIFTH COUNT (CIVIL CONSPIRACY)

1. The First, Second, Third and Fourth Counts of the Complaint are repeated herein as though set forth at length.

2. Upon information and belief, Defendants Sea Crest and Rojas have reached an agreement amongst themselves, with the common purpose to torture, cheat and intentionally interfere with the rights of the Plaintiff.

3. Both Defendants herein engaged in a Civil Conspiracy in order to obtain monies from the Plaintiff in an elaborate, illegal and complex scam which required the Plaintiff and his family to pay monies over a protracted period of time.

4. The Defendants have continued in their common enterprise to illegally obtain the Plaintiffs' money.

WHEREFORE, Plaintiff Jose R. Nunez demands judgment against the Defendants Sea Crest Trading of Connecticut, Inc., and Luis Rojas for:

- (a) Compensatory Damages;
- (b) Punitive Damages;
- (c) Incidental Damages;
- (d) Consequential Damages;
- (e) Rescission
- (f) Reformation

(g) An Order from the Court allowing Plaintiff to make no further payments on said loan until disposition of this matter.

(h) Attorneys fees and costs of suit.

(i) Such other relief as this Court may deem equitable and just.

POPE, BERGRIN & TOSCANO, P.A.  
Attorneys for Plaintiff,  
Jose R. Nunez

By: 

Patrick P. Toscano, Jr.

DATED: January 10, 1995

DEMAND FOR TRIAL BY JURY

Pursuant to R. 4:35-1, the Plaintiff herein, Jose R. Nunez, demands a trial by jury as to all issues so triable.

POPE, BERGRIN & TOSCANO, P.A.  
Attorneys for Plaintiff,  
Jose R. Nunez

BY: 

Patrick P. Toscano, Jr.

DATED: January 10, 1995



# CIVIL CASE INFORMATION STATEMENT (CIS)

Use for initial pleadings (not motions) under Rule 4:5-1

FOR USE BY CLERK'S OFFICE ONLY			
PAYMENT TYPE:	CK	CC	CA
CHK / CK NO.			
AMOUNT:			
OVERPAYMENT:			

ATTORNEY NAME Patrick P. Toscano, Jr., Esq.	TELEPHONE NUMBER (201) 482-7766	COUNTY OF VENUE <del>Essex</del> <b>PASSAIC</b>
FIRM NAME (if applicable) Pope, Bergrin & Toscano	DOCKET NUMBER (When available)	
OFFICE ADDRESS 893 Franklin Avenue Newark, New Jersey 07107	DOCUMENT TYPE (See reverse side for listing) <b>Complaint</b>	
NAME OF PARTY (e.g. John Doe, Plaintiff) Jose Nunez		JURY DEMAND <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
CAPTION Jose Nunez v. Sea Crest Trading of Connecticut, Inc.		

## THE INFORMATION PROVIDED BELOW CANNOT BE INTRODUCED INTO EVIDENCE.

CASE TYPE NUMBER (See reverse side for listing) <b>594 699 FRAUD; USURY</b>	NAME OF DEFENDANT'S PRIMARY INSURANCE COMPANY _____
CHECK IF APPLICABLE <input checked="" type="checkbox"/> PUNITIVE DAMAGES <input type="checkbox"/> FRIENDLY HEARING ONLY <input type="checkbox"/> DECLARATORY JUDGMENT <input type="checkbox"/> TITLE 60 <input type="checkbox"/> VERBAL THRESHOLD ISSUE <input type="checkbox"/> MTF <input type="checkbox"/> UNINSURED / UNDERINSURED MOTORIST <input type="checkbox"/> RELATED CRIMINAL ACTION PENDING	
COMPLEMENTARY DISPUTE RESOLUTION (CDR) DESIRED <input type="checkbox"/> YES SPECIFY TYPE: _____ <input checked="" type="checkbox"/> NO	
PRESENT MEDICAL EXPENSES <input type="checkbox"/> \$4500 OR LESS <input type="checkbox"/> MORE THAN \$4500 IF MORE, DO YOU WISH TO SUBMIT THIS CASE TO ARBITRATION? <input type="checkbox"/> YES <input type="checkbox"/> NO	
CASE ASSESSMENT (Mandatory for DCM Counties) <input type="checkbox"/> EXPEDITED (1) <input checked="" type="checkbox"/> STANDARD (2) <input type="checkbox"/> COMPLEX (3)	SUBTRACK ASSIGNMENT REQUESTED (See reverse side for additional instructions) <input type="checkbox"/> PIP EXPEDITED <input type="checkbox"/> UM / UIM EXPEDITED <input type="checkbox"/> ARBITRATION <input type="checkbox"/> PREROGATIVE WRITS EXPEDITED <input checked="" type="checkbox"/> COMPLICATED STANDARD <input type="checkbox"/> FORFEITURE <input type="checkbox"/> DECLARATORY JUDGEMENT EXPEDITED <input type="checkbox"/> ASBESTOS <input type="checkbox"/> COMMERCIAL

CASE DESCRIPTION: INCLUDE ANY SPECIAL CHARACTERISTICS THAT MAY WARRANT EXTENDED DISCOVERY OR ACCELERATED DISPOSITION.

*THE DEFENDANTS ARE IN VIOLATION OF BOTH CIVIL AND CRIMINAL LAW INVOLVING FRAUD, USURY AND CONSUMER FRAUD IN CONNECTION WITH AN ILLEGAL LOAN TO THE PLAINTIFF*

Rec'd & Filed  
Office of the Superior Court Clerk  
by Deputy Clerk of the Superior Court

JAN 17 1995

Passaic County

DESCRIBE ALL PENDING ACTIONS RELATED TO THIS CASE, I.E., ARISING OUT OF THE SAME OCCURRENCE OR TRANSACTION (Give docket number if known)

*NONE*

ESTIMATED NUMBER OF DAYS TO TRY THIS CASE

LIABILITY: 2

DAMAGES: 1

ATTORNEY SIGNATURE

*[Signature]*

February 23, 1995

[redacted]  
Senator Frank Lautenberg  
Gateway 1  
Newark, New Jersey

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Dear [redacted]

[redacted]  
[redacted] I sincerely hope that upon careful review of the evidence, Senator Lautenberg will take the following action on my behalf.

1. Hold a press conference with major law enforcement, civil rights and community activists supporting the need for Congressional Hearings into Dominican organized crime [redacted]

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2. Formally request in writing that the Chairman of the Senate and House Judiciary Committee's commence hearings into the conspiracy and alleged Justice Department coverup. Enclosed is a copy of a similar request made by U.S. Representatives [redacted] and [redacted]

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3. Introduce legislation into the Senate amending the federal civil rights statute (18 USC 241 and 242) precluding the criminal prosecution of dedicated police officers who conduct good faith, non-violent search and seizures.

4. Attempt to secure a meeting with [redacted] and seek his immediate intervention on securing a bona fide criminal investigation via a Special Prosecutor and if the evidence warrants, [redacted]

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Letter to [redacted]  
February 23, 1995  
Page Two

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5. Immediate request to the United States Attorney for the State Of New Jersey that he conduct a grand jury investigation regarding the infiltration of Dominican organized crime groups in the State Of New Jersey. I hope that you were impressed by the testimony of [redacted]

In conclusion, I again thank you for your concern and the opportunity to briefly show you some of our documentary evidence and witnesses. I hope that upon your review of the enclosed material, Senator Lautenberg will also be convinced of the drug cartel conspiracy and it's national implications on our police and our very important civil rights laws. Arrangements are being made [redacted]

Very truly yours,

[redacted]

cc: NJ Law Enforcement Community

Congressman James Traficant, Jr.

[redacted] Night Line

[redacted] New Yorker Magazine

[redacted] 20/20

[redacted] Commission for Social Justice

[redacted] National Hispanic Coalition

[redacted] Black Ministers Of Harlem

[redacted] Jewish Action Alliance

[redacted] National Italian American

Foundation

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TO: [REDACTED]  
U.S. Senator Frank Lautenberg

March 12, 1995

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FROM: [REDACTED]

SUBJECT: [REDACTED]

Again, I would like to thank you for taking time out from your busy schedule to meet me last week. In our discussion, I was truly

[REDACTED]  
[REDACTED] Since, we spoke last, two important events took place which I think you and Senator Lautenberg should be made aware of.

First, [REDACTED]  
[REDACTED]

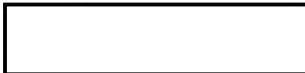
[REDACTED] The second goal of this police foundation is to educate the American public as to the new dangers facing our law enforcement community in their "War Against Drugs And Crime". We plan to hire a public relations firm to develop TV commercials which would demonstrate some of the dangers and injustice plaguing our police officers. Also, we will provide low cost professional liability insurance to police officers. I have already put together much of my Executive Board, which includes world renowned crime fighter, [REDACTED] I hope that Senator Lautenberg will consider being a member of our advisory board and help to introduce important law enforcement legislation to help our law enforcement community. The first proposed bill will be to amend the federal statute (18USC 241/242) to assure that police officers conducting good faith, searches and seizures, will not be subject to criminal prosecution under federal civil rights statutes. Especially, when police brutality, racial bias or corruption was not an element of the crime!

Secondly, last week I spoke to [REDACTED]  
[REDACTED]

[REDACTED] had an adverse affect on law enforcement and has resulted in the termination of drug interdiction in many jurisdictions, including the State Of New Jersey.

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Memorandum to  
Page Two



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Please keep in touch and let me know if Senator Lautenberg is



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58C/NY-256647-15

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 08 1966	
FBI - NEW YORK	

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On 1/11/96 SA [redacted] received a FEDEX package at 26 Federal Plaza, New York, New York from [redacted]. The package contained the following documents:

A letter on National Police Defense Foundation letterhead from [redacted] to SA [redacted] dated 1/10/95.

An INS Memorandum of Investigation Form G-166C re File Number 50/18.204, Title [redacted] dated 1/12/90.

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A letter to [redacted] from [redacted] dated [redacted]

A letter to [redacted] from [redacted] dated [redacted]

A copy of a State of New York Certificate From Disabilities regarding [redacted] dated [redacted]

A copy of an "Uptown Dispatch" News article by LINDA GARCIA entitled "LINARES NAMED IN ELECTION FRAUD PROBE."

A copy of the Congressional Record, Vol. 140, No. 26 dated 3/10/94 entitled "Key documents prove Innocence of Joseph Occhipinti."

A District Attorney, County of New York, News Release dated 8/19/93.

A memorandum to [redacted] from [redacted] re review of Political Contributions for Bronx Borough [redacted]

Pharmacy Statement for Acme Pharmacy Roosevelt Blvd. Philadelphia, Pennsylvania.

Copy of the Congressional Record. Vol. 139. No. 158 dated 11/15/93 entitled "Key documents" [redacted]

A memorandum Form G-2 to [redacted] from [redacted] dated 1/5/81 re Authorization to carry personally owned firearm while in off-duty status.

Pharmacy Statement 1/1/92 thru 12/25/94 re Rite Aid Pharmacy 5612 N. Fifth St Philadelphia, Pennsylvania.

Memorandum of Investigation Form G-166C, File Number 50/18.204 entitled [redacted] dated 1/17/90.

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New York Daily News article "Feds probe loanshark lean on bodegas" dated 4/8/94.

Memorandum to		from	
	dated 1/13/94, on		

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b7C

8/18/93 New York Times article entitled Man's Nemesis..., by DAVID GONZALEZ.

An 11/2/94 Freedom of Information/Privacy Act request re SEACREST TRADING CORPORATION on USDOJ, DEA letterhead with three pages of partially redacted DEA reports attached.1

*Bernier & Fidler*

*Attorneys at Law*

*Howard A. Bernier*

*Martin Fidler*

RECEIVED  
FBI ROOM

90 MAR -1 PM 1:36

INM. & ADP. SVC.  
NEW YORK, N.Y. 10278

150 Broadway  
New York, New York 10038  
(212) 732-5620

January 8, 1990

[Redacted]

26 Federal Plaza  
9th Floor  
New York, New York 10278

RE: [Redacted]

Dear [Redacted]

Pursuant to our meeting of this morning, I am enclosing herewith a copy of Certificate of Relief From Disabilities issued by the Executive Department of the Division of Parole of the State of New York, dated February 4, 1984, with reference to [Redacted]

[Redacted]

I further enclose form G-28 with the understanding that your file will be marked with my name as attorney for [Redacted] in case any searches are to be made or if there is any information necessary to be obtained from him in relation to [Redacted] or any other immigration matter.

Thank you for your cooperation.

Very truly yours

[Redacted Signature]

[Redacted]

Encl.

[Redacted]

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# LINARES

The UPTOWN  
DISPATCH

## NAMED IN ELECTION FRAUD PROBE

By LINDA GARCIA

Heights Councilman Guillermo Linares has been recently named in a probe by city investigators charging that while campaigning for Mayor Dinkins in 1989, a "document dealer" affiliated with him in some manner, helped obtain numerous falsified immigration papers for illegal aliens. In exchange for providing the phony immigration papers, an informant in a probe launched by the city's Drug Enforcement Administration told sources, she agreed to allow the dealer of the counterfeit documents to obtain citizenship for her and her boyfriend in exchange for their registration as a Democrat (under assumed names) and to vote for David Dinkins in that year's election.

This informant, whose identity remains confidential, supplied her with a phony voter registration card and told her which polling place to go to to cast her ballot.

This dealer, she testified, had many such voter registration cards in his possession, it was revealed in an Oct. 12th letter from the city's Dept. of Investigations to the office of Manhattan District Attorney Robert Morgenthau.

The DOI was acting on information from the aforementioned DEA informant during a probe launched more than three years ago with the objective to find a "document dealer" in the Heights who was signing up undocumented aliens to vote using phony voter registration cards, a probe which is still in its early stages.

Councilman Linares characterized those allegations as "completely foreign to me—off the wall" and denied any wrongdoing.

Dinkins campaign spokesman Joseph De Plasco stated that the mayor's campaign office was unaware of the probe but stated that "It sounds like a ridiculous allegation" but added that it should be pursued.

However, the Department of Investigations assignment of a squad of investigators to cover the case, and for its Commissioner Susan Shepherd to seek the assistance of DA Morgenthau's office indicates how seriously that department is taking these allegations that have surfaced during this election season. Also high-level law enforcement officials are very concerned with the many loopholes in the voter registration system since the Board of Elections conducts no identification checks or verification of citizenship, leaving the door wide open for such large-scale voter fraud to occur.



# Congressional Record

## KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.  
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 10, 1994

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD two sworn affidavits made out by Ramon Antonio Grullon, a former official of the Government of the Dominican Republic:

### AFFIDAVIT

(State of New York, County of Richmond)

Ramon Antonio Grullon, being duly sworn, deposes and states:

(1) I am the former Consul of the Dominican Republic to Philadelphia, the former Consul General and Ambassador to Kingston, Jamaica, as well as other diplomatic positions I held for the Government of the Dominican Republic.

(2) On or about the end of 1989, I was personally told by Dominican businessmen, Jose Delio Marte, Silvio Sanchez, Pedro Allegria and Ernesto Farbege that they needed my political assistance in "eliminating" former Immigration Officer Joseph Occhipinti. They explained to me that Occhipinti was a threat to their illegal businesses, which included loan sharking, gambling, drug distribution and the employment of illegal aliens. Pedro Allegria, Richard Knipping, Jose Delio Marte and a man call "Pepe", the brother-in-law to Delio Marte operate a major loan sharking operation out of Sea Crest Trading Company where they set up Bodegas to conduct their illegal businesses. They also use Joel Associates, Hamilton Drug Stores, and Hamilton Hardware located at West 136th and Hamilton Place from which illegal wire transfers from drug proceeds are made to the Dominican Republic.

I was told that Occhipinti would be eliminated on false allegations that he was shaking down the Bodega owners. They invited me to attend a press conference at the Club Deportivo (168th Street & Auduon Avenue) where they wanted to solicit the help of the Spanish media to publicize the false allegations. They told me I was needed because of my political position which would give credibility to their allegations. I refused because I didn't want any trouble.

(3) On or about April, 1990, Jose Delio Marte and Silvio Sanchez again approached me to accompany them as a protestor at City Hall against Occhipinti to make the same false allegations. I again refused.

(4) I am willing to cooperate with Staten Island Borough President Guy V. Molinari, as well as the United States Congress, in their investigation of the Occhipinti case and Dominican drug trafficking activity in the United States. I am cooperating in hopes that my cooperation will be brought to the attention of the Immigration and Naturalization Service where I am under deportation proceedings. No promises have been made to me in exchange for this cooperation. I am willing to work in an undercover capacity if requested, to prove what I have stated in this affidavit is true.

### AFFIDAVIT

(State of New Jersey, County of Hudson)

Ramon Antoni Grullon, being duly sworn, deposes and states:

1. On August 19, 1993, I executed a sworn affidavit to Staten Island Borough President Guy V. Molinari, whereby I provided direct knowledge confirming the conspiracy against Mr. Occhipinti by certain members of the Federation and Sea Crest Trading Company. I outlined the motive for the conspiracy, as well as the identity of its co-conspirators, which led to his federal conviction for civil rights and related violations.

2. On August 20, 1993, I was interviewed by Mr. Anthony Pope, the attorney representing Mr. Occhipinti, regarding my first affidavit. At that interview, I provided additional testimony relative to the Occhipinti conspiracy, which are as follows:

A. I have confirmed why government witness Jose Liberato, a complainant against Mr. Occhipinti at trial, had falsely testified against Mr. Occhipinti and participated in the conspiracy. Mr. Liberato, a bodega

owner, is a major participant of Sea Crest Trading Company and its illegal activities. As I previously stated, Sea Crest is a front for loan sharking, drug distribution, money laundering and gambling activity involving Dominican bodegas. Jose Liberato, as did the others at Sea Crest, lost thousands of dollars from Mr. Occhipinti's confiscation of contraband and monies from bodegas indebted to Sea Crest. In addition, Mr. Liberato and many of his relatives' bodegas, were investigated by Mr. Occhipinti.

B. On or about May 1993, I was present at a meeting with City Council's Guillermo Linares and Georgia "Donay" Sanchez where Mr. Occhipinti's case was discussed. Ms. Sanchez is a member of the Dinkins Administration, who acts as an intermediary in delivering illegal cash contributions to the Dinkins Campaign on behalf of the Federation and Sea Crest. This allegation is based upon personal knowledge since I was personally privy to one such illegal contribution involving about seven thousand dollars. It also explains why Mayor Dinkins supports the Federation and supported their efforts in having Mr. Occhipinti prosecuted. At the meeting, Georgian expressed her concern about Mr. Occhipinti's public and legal efforts for vindication, which could expose the conspiracy, as well as the Federation's and Sea Crest illegal operations. In response, Councilman Linares stated that he was not concerned because he had strong contacts at the prosecutor's office. Those contacts had assured him that they had everything under control. I interpreted that statement to mean that there may be some corrupt prosecutors involved in covering up the Occhipinti conspiracy.

3. As previously promised, I have agreed to work in an undercover capacity to help prove the conspiracy against Mr. Occhipinti. In addition, to have my conversation with the various co-conspirators consensually monitored to prove their complicity in the conspiracy.

AFFIDAVIT

RAMON ANTONIO GRULLON, being duly sworn, deposes and states:

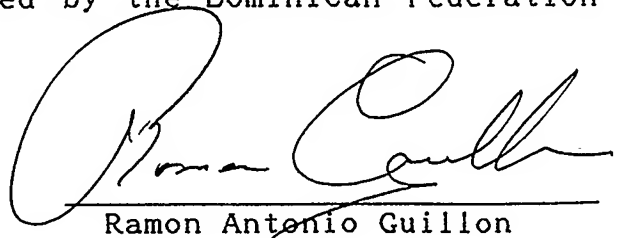
1. I execute this Affidavit on behalf of U.S. Congressional Representatives James Traficant, Jr., and Susan Molinari who are conducting a Congressional inquiry into the alleged Drug Cartel Conspiracy against former Federal Agent Joseph Occhipinti. I previously executed two (2) affidavits about this Drug Cartel Conspiracy which was entered into the Congressional Record on March 10, 1994. In those Affidavits, I provided my personal testimony explaining how Mr. Occhipinti was set-up by certain members of the Dominican Federation and Sea Crest Trading Company. I had been recruited to participate in the conspiracy but refused.

2. I have continued my investigation on behalf of Staten Island Borough President Guy Molinari and law enforcement authorities, and have uncovered additional evidence relating to federation members Jose Delio-Marte and Jose Liberato. I have learned that Mr. Liberto and Marte assisted three (3) convicted Dominican Drug Dealers in avoiding deportation. In 1988, Rafael Marte-Fernandez, Pedro Marte-Fernandez and Robert Fernandez were convicted in New Jersey for drug distribution. They were arrested in Union City and later sentenced to five (5) years in State Prison. Their bails were originally posted through the efforts of Jose Delio-Marte and their bonds ranged from \$50,000.00 to \$150,000.00 in cash. Mr. Marte and Liberato became involved in this case because Rafael Marte-Fernandez was the New Jersey Director of "FADO", the New Dominican Merchants Association. This FADO Group is the same group as the

Federation of Dominican Businessmen and Industrialists of New York, the name was change because of the adverse publicity they received in the Occhipinti case. Upon the prison release of those Defendants to Immigration Deportation, Mr. Marte and Mr. Liberato paid \$15,000.00 to Dominican Vice Consul's Ramon Ramos, Rafael Lara Flores and Legal Director Rafael Guzman Liriano to destroy their criminal conviction and deportation records. The destruction of these documents permitted these Defendants to return to the Dominican Republic without any legal notice that they were deported criminal aliens. When they arrived in the Dominican Republic, there was no notice about their deportation or criminal conviction. About two (2) weeks later they re-entered the United States at Miami posing as resident aliens, since they never surrendered to Immigration their green cards. Today, Rafael Marte-Fernandez, Pedro Marte-Fernandez and Roberto Fernandez own and operate a Bodega and Beverage Wholesale Distribution Center in Newark which they financed through a usurious loan from Jose Liberato and Jose Delio-Marte. Rafael Marte-Fernandez lives at 1308 Morris Street, Union City, New Jersey and the offices of FADO are located at 4300 Bergenline Avenue, Union City, New Jersey. Jose Liberto, Jose Delio-Marte and Sea Crest Trading Company continues to provide usurious loans to Dominican Merchants in New York and New Jersey.

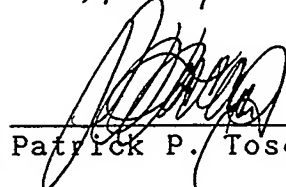
3. When I was a Dominican Diplomat, I became good friends with Eladio Knipping-Victoria, the Dominican Ambassador to the United Nations. He is related to Richard Knipping who was part of the conspiracy to frame Federal Agent Occhipinti. Also, Knipping is involved in the Sea Crest money laundering and loansharking operation. In fact, I personally know that Richard Knipping obtained through Eladio's efforts an Official Diplomatic Passport from the Dominican Republic. He travels every three (3) months to the Dominican Republic to smuggle substantial amounts of drug related cash. The reason being he has the Official Diplomatic Passport, enabling him to evade United States and Dominican Inspection. About four (4) months ago, Eladio Knipping-Victoria asked me if I wanted an Official Passport, he wanted me to politically support Dominican President Balaguer for re-election. I refused saying that, "I belonged to the opposing Political Party and had a pending application to receive a green card".

4. I am still willing to cooperate in an undercover capacity with the Law Enforcement Community in trying to expose the Drug Cartel Conspiracy against Mr. Occhipinti and the criminal activity being committed by the Dominican Federation and Sea Crest Trading Company.



Ramon Antonio Guillon

Sworn and subscribe to  
before me this 26 day  
of January, 1995.



Patrick P. Toscano, Jr., Esq.

## DISTRICT ATTORNEY . COUNTY OF NEW YORK

*News Release*  
*August 19, 1993*

*Contact: Wayne Brison*  
*(212) 335-9400*

A New York County Grand Jury has indicted three witnesses and the defendant in an illegal gun possession case for perjuring themselves during that criminal trial in April, 1993, District Attorney Robert M. Morgenthau announced today.

The indictment charges that the defendants, LUIS MARIA GONZALEZ, 28, of 514 West 170th Street, SAGRARIO GUERRA, 24, of 1370 St. Nicholas Avenue, IRMA GARCIA SANCHEZ, 27, of 560 West 165th Street, the three witnesses; and MANUEL CORADIN, 23, the defendant, who is currently incarcerated on the gun possession case, perjured themselves during a New York State Supreme Court trial before Justice Ira F. Beal. GONZALEZ, GUERRA and SANCHEZ each testified and offered false alibis for CORADIN, and CORADIN testified untruthfully about his actions.

The perjury charges arise from a trial in which MANUEL CORADIN had been charged with Criminal Possession of a Weapon in the Second and Third Degrees and Resisting Arrest. The charges at trial stemmed from an early morning shooting incident on January 31, 1993 outside a restaurant on St. Nicholas Avenue between 164th and 165th Streets. CORADIN was arrested and indicted for firing a pistol on the street. Police officers saw CORADIN fire the weapon, chased him and, after a struggle, arrested him. They recovered the pistol and four matching spent shells.

At trial, GONZALEZ, GUERRA and SANCHEZ testified for the defense. GONZALEZ, a waitress at the restaurant, and SANCHEZ each testified that they knew CORADIN and his wife. They further told the Court and the jury that they were inside the restaurant on the evening of January 31, 1993 and that CORADIN and his wife were inside the restaurant when the shots were fired.

The third defendant indicted today, SAGRARIO GUERRA, told the Court that she had been married for four years to the defendant CORADIN. She testified that she and her husband were in the restaurant when she heard the shots. She said she saw a "half Chinese man" shoot the gun and throw it to the ground, that her husband, MANUEL CORADIN, left the restaurant and was thrown to the ground by a police officer who attempted to put her husband's hand on the gun and then arrested her husband.

When CORADIN took the stand, he testified that he was inside the restaurant when he heard shots fired outside the restaurant. He said that he left the restaurant to see what had happened and, as he left the restaurant, he saw a gun lying on the ground. He said that he was knocked to the ground by police officers who then tried to place the gun in his hand.

A subsequent investigation, however, disclosed that GONZALEZ, GUERRA, SANCHEZ and CORADIN all testified untruthfully at trial. CORADIN and his wife, SAGRARIO GUERRA were not inside the restaurant together on January 31, 1993. In fact, SAGRARIO GUERRA had given birth two days before the shooting and was still an

admitted patient at St. Luke's Hospital at the time of the incident.

After hearing all the evidence in the gun possession trial, the jury was unable to reach a verdict and the case ended in a mistrial on April 16. The weapons charges against CORADIN are still pending and the case will be retried.

Assistant District Attorney Sarah Hines, a Senior Trial Counsel in the Trial Division, presented the perjury case to the Grand Jury and will handle the prosecution. Assistant District Attorney Susan Cushman will prosecute the retrial of the weapons charges against CORADIN.

All of the defendants have been charged with Perjury in the First Degree, a class D felony which is punishable by up to seven years in prison.

\* \* \* \*

# Congressional Record

## EXHIBIT 2

STATE OF NEW JERSEY,  
County of New Jersey ss:

Alma Camprena, being duly sworn, deposes and says:

1. I am currently employed as a legal assistant with a law firm. I have previously been employed as a Police Officer in Puerto Rico and as a legal assistant with the law firm of Aranda & Gutlein. I am currently a registered informant with the New York City Police Department, Immigration and Naturalization Service, United States Customs Service and the Federal Bureau of Investigation. I have been instrumental in the development of numerous prosecutions.

2. I am familiar with Joseph Occhipinti and have known him since October 1988. At that time, I provided Mr. Occhipinti with certain information relating to the homicide investigation of Police Officer Michael Buczek which was being conducted by Mr. Occhipinti and other law enforcement officials. I also provided Mr. Occhipinti with information concerning his investigation of the drug cartel of an individual known as Freddy Then. At this particular time, I was employed as a law assistant by Aranda & Gutlein.

3. In the early part of 1989, I informed Mr. Occhipinti and other law enforcement agents that my employers, Mr. Aranda and Mr. Gutlein, were involved in a number of criminal activities including but not limited to official corruption and drug and weapon trafficking. Mr. Gutlein, who is a former Assistant United States Attorney in the Southern District of New York, had told me on numerous occasions that he has a number of important contacts in the United States Attorney's Office.

4. Based upon the information that I gave to Mr. Occhipinti, I had at least two (2) meetings with Assistant United States Attorney Jeh Johnson. Mr. Occhipinti, as well as other law enforcement agents, was present at these meetings. During the course of these meetings, I provided Mr. Johnson with information concerning Mr. Aranda and Mr. Gutlein. I also informed Mr. Johnson that Freddy Then was buying up bodegas in New York for the purpose of using them as a vehicle for drug trafficking and money laundering which involved illegal aliens.

5. In or about March 1989, I heard a conversation at the law offices of Aranda & Gutlein. During the course of this conversation, Mr. Aranda complained to Mr. Gutlein about the fact that Mr. Occhipinti was putting tremendous pressure on the illegal activities of their Dominican clients. Mr. Aranda told Mr. Gutlein that he would like to have Mr. Occhipinti "eliminated". Mr. Gutlein stated to Mr. Aranda that having Mr. Occhipinti "eliminated" was not the right thing to do. Mr. Gutlein stated instead that they should think up a plan to set Mr. Occhipinti up and have him prosecuted for violating the civil rights of the Dominicans. Mr. Gutlein stated that he had contacts at the United States Attorney's Office and they should be able to help in prosecuting Mr. Occhipinti.

## KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service agent Joseph Occhipinti, I submit into the RECORD additional key evidence in the case.

6. In August of 1989, I reported this conversation to Jeh Johnson. Although Johnson took the information down, he did nothing to follow it up and I never heard from him again concerning it.

7. Approximately one (1) month after I spoke with Mr. Johnson at the United States Attorney's Office concerning the threats to Mr. Occhipinti, a co-worker of mine by the name of Alma Monte, told me to be careful for my safety because Mr. Gutlein had been informed by friends of his at the United States Attorney's Office that I was providing information concerning Mr. Gutlein's activities. Ms. Monte further informed me that I was going to be physically harmed. For these reasons, I have since taken up residence out of state.

8. I would be more than happy to cooperate with law enforcement officials in any manner concerning the information contained in the within Affidavit.

ALMA CAMERINA.

## EXHIBIT 3

STATE OF NEW YORK,  
County of Bronx, ss:

Raul Anglada, being duly sworn, deposes and says:

1. I am a Detective currently employed by the New York City Police Department.

2. I am currently assigned to the 40th Precinct Detective Squad located at 257 Alexander Avenue, Bronx, New York.

3. In or about August to September 1989, while I was assigned to the 34th Precinct, I accompanied an Informant named Alma Camerina to the Office of the United States Attorney for the Southern District of New York.

4. At that time, we met with Assistant United States Attorney Jeh Johnson. Ms. Camerina informed Mr. Johnson that she had overheard a conversation between Mr. Aranda and Jorge Gutlein.

5. Mr. Aranda and Mr. Gutlein, according to Ms. Camerina, were talking about setting up Joseph Occhipinti.

6. I also wish to state that I can confirm that Project Bodega arose from the Freddy Then prosecution. During the course of my official duties, I accompanied Mr. Occhipinti on several visits to bodegas. I never observed Mr. Occhipinti do anything which was either illegal or improper.

7. Approximately one (1) year ago, I was interviewed by an FBI Agent named Lionel Barron. Mr. Barron advised me that he was conducting an informal investigation into allegations that Mr. Occhipinti was innocent of the charges that he had been convicted of. Subsequent to that time, I was never contacted by any Federal Official with reference to such an investigation. I do not know what resulted from Mr. Barron's investigation.

RAUL ANGLADA.



# DAILY NEWS

NEW YORK'S HOMETOWN NEWSPAPER

Friday, April 8, 1994

## Feds probe loanshark lean on bodegas

By WILLIAM KLEINKNECHT

Daily News Staff Writer

A Connecticut finance company has been investigated by three federal agencies for allegedly engaging in a loansharking operation that has lent money to hundreds of city bodega owners, the Daily News has learned.

Sea Crest Trading Co. in Greenwich has been accused of a scheme in which borrowers open bodegas, pay interest as high as 4% a week and agree to buy store fixtures from Sea Crest subsidiaries.

The allegations against Sea Crest have been placed in the

Congressional Record by U.S. Rep. James Traficant, an Ohio Democrat who is pressing the FBI, IRS and the Drug Enforcement Administration for their files on Sea Crest.

Officials of Sea Crest strongly deny the charges. They say Sea Crest is a legitimate finance company that lends to bodega owners and other high-risk clients at interest rates that are high but within the law.

"We do loan money to grocery stores and bodegas, but the notion of 4% a week is absurd," said Mark Berkowitz, the company's vice president.

DAILY  NEWS

EXCLUSIVE

"We are not loansharks."

The charges in the Congressional Record are contained in affidavits prepared by confidential informants working for Joseph Occhipinti, a former federal immigration agent who was convicted in 1991 of conducting illegal searches of bodegas.

Occhipinti, who was later pardoned by President George Bush, claims he was set up by bodega owners

linked to the drug underworld. At Occhipinti's urging, Traficant is pursuing allegations that all the investigations of Sea Crest were ordered halted by Justice Department officials for unknown reasons.

One federal law enforcement official told The News that his investigation of Sea Crest Trading had turned up evidence of the company's involvement in loansharking, extortion and collusion with drug smugglers.

"The information we had was enough to lead to an indictment," the official said.

## LEVEL 1 - 1 OF 2 STORIES

Copyright 1993 The New York Times Company  
The New York Times

August 18, 1993. Wednesday. Late Edition - Final

SECTION: Section B; Page 1; Column 2; Metropolitan Desk

LENGTH: 1110 words

HEADLINE: Man's Nemesis: Dotted Line on Map:  
Trying to Rebuild, Bronx Store Owner Faces Phantom Road

BYLINE: By DAVID GONZALEZ

## BODY:

Among the biggest fears for any businessman hit by catastrophe is that he will wind up on the street. But for one Bronx landlord trying to rebuild after a devastating fire, the problem is that the street is on him.

Lazar (Bernie) Berkovits, the owner of the largest property destroyed in a five-alarm fire 13 months ago on East Tremont Avenue says that although he is ready to build a bigger store on the site, the city says he can't. Just what a dotted line planners drew on a map half a century ago has East Tremont Avenue cutting through his property, meaning that even rebuilding on the site requires a ruling from the city. And \$6,000 in legal fees.

## 'This Is Impossible'

The city's stance vexes Mr. Berkovits, considering that to help him with expansion plans the city sold him a small parcel next to his original plot without, he said, telling him that the street is plotted through the land. It is more perplexing to him, and most people, is that East Tremont Avenue has always been -- on the street in front of Mr. Berkovits's land.

"It's crazy, but we don't know where to turn for help," he said, adding that if things had gone without a hitch he could have finished construction by next fall, rather than next year. "I understand it's a big city and it takes time everything has to be done according to law, but this is impossible. None of the reasons the economy is not moving."

Even a spokesman for the city agency that denied Mr. Berkovits his construction permit agreed the situation defied some measure of common sense.

"It's one of those things," said Vahé Tiryakian, a spokesman for the Buildings Department. "New Yorkers, aren't we something here? Every time you think you're doing well, whammo, the city hits you right in the face."

The stall in obtaining a building permit is only the latest obstacle facing some half-dozen businessmen whose stores were destroyed in a fire July 10, 1991. They complained bitterly last year that city officials initially seemed

The New York Times, August 18, 1993

PAGE 2

Mr. Berkovits said he learned of the phantom road last spring, after the city sold him a parcel next to his lot, at 410-414 East Tremont Avenue, that, together, he would use to build a 12,766-square-foot building that would re-house a hardware store and restaurant that were lost in the fire. But when his architect went to the Buildings Department to obtain a construction permit, he was told that the mapped street prevented immediate rebuilding.

Planners who have studied maps for the area did not know why that stretch of Tremont Avenue was mapped differently from the way it currently runs, saying that it appeared to deviate from its current route for only that one block between Webster and Park Avenues.

Nevertheless, its existence on tax maps is enough to block new construction, said Mr. Tiryakian. Even replacing an existing building requires a variance from the city's Board of Standards and Appeals, he said.

"It's the pre-existing nonconforming use concept here," Mr. Tiryakian said. "Probably what happened here is those buildings existed and the street was mapped, and then by general city law, you're not allowed to build on mapped streets."

In other words, buildings that existed before the mapping were not affected, but any new construction would need permission from the city. City officials said Mr. Berkovits should have known about the restriction that would have been revealed in a title search.

Jennifer Pitts, a spokeswoman for the Economic Development Corporation, which helped Mr. Berkovits acquire the parcel from the city, said they had no inkling of the mapped street.

"It was just a sliver of a building on a much larger property and no one realized there was a street through that whole block," she said, referring to the property the city sold to Mr. Berkovits. The development corporation, she said, is speeding up the process to get Mr. Berkovits a hearing by late September. The corporation has also gotten assurances from the Transportation Department that it has no plans to widen or move East Tremont Avenue.

That is small comfort to Mr. Berkovits, who still will have to spend \$8,000 on fees for lawyers to obtain the ruling. Worse yet, by the time the variance is granted, he worries that he will have lost out on the construction season until next year, and his agreement for buying the land calls for him to begin construction within six months -- from last May. Ms. Pitts said the city would not take action against Mr. Berkovits as long as he made a good faith effort to seek the city's permission for the construction.

#### 'A Summons for Everything'

Of course, he could build without a permit, but that would only invoke the wrath of the bureaucracy. He has already been hit with one summons for clearing the property without a permit.

"You can't do anything," said Stanley Brill, a business associate of Mr. Berkovits's. "If you start to build the city would hit you with some kind of summons for being in violation of the law. The city has a summons for everything."

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The New York Times, August 18, 1993

To insure that other merchants are spared Mr. Berkovits's predicament. Bronx Borough President Fernando Ferrer said he has instructed his staff to see how he could officially remove the street from the map.

"Bernie, we're going to try to persuade people that East Tremont doesn't really go through your land," Mr. Ferrer said he would like to tell Mr. Berkovits, when informed of the landlord's predicament. "We want your sales tax and we want you. This is nuts."

Mo Stein, the owner of Frank's Sporting Goods, agrees. There may be no traffic on the imaginary street, but there hasn't been too much traffic on the real one since the fire, either, and that means sales are down for those merchants who survived the fire.

Don't get him started on the city, because he'll only regale you with tales of how the city has not done much for him or his block, a once bustling strip that now is home to one very large, vacant lot.

"It goes to show you the ineptitude of the whole thing," said Mr. Stein. "No business has been on the block for 70 years. Instead of helping you, they throw hurdles."

As is his wont, Mr. Stein peppered his talk with references to the area's somewhat colorful history, noting that local legend has it that the building next to Mr. Berkovits's vacant lot was once owned by the gangster Dutch Schultz.

Mr. Schultz, he presumed, would have had no difficulty rebuilding.

GRAPHIC: Map of the Bronx showing location of store.

LANGUAGE: ENGLISH

AD-DATE-MDC: August 18, 1993

LEVEL 1 - 2 OF 2 STORIES

Copyright 1990 Newsday, Inc.  
Newsday

May 12, 1990, Saturday, NASSAU AND SUFFOLK EDITION

SECTION: PART II; Pg. 5

LENGTH: 365 words

ADLINE: IN SHORT

LINE: By Bill Kaufman

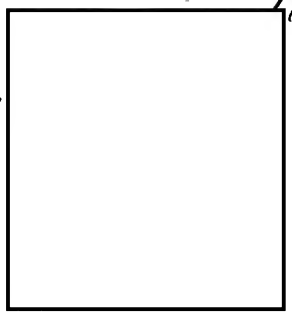
Call:

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58c/Ny 256647-



b6  
b7C



16

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/17/96

[redacted] D.O.B. [redacted] telephoned Special Agent [redacted] at the FBI's New York Office (NYO) to ascertain if a package he express mailed had arrived at the NYO and provide follow up information to an interview conducted on 1/5/96.

b6  
b7C

On 1/5/96, [redacted]

b6  
b7C  
b7D

[redacted] During the telephone conversation, [redacted] stated that the Organized Crime Drug Enforcement Task Force (OCDETF), located at 6 World Trade Center, Room 560, NY, NY 10048, was also investigating STC. [redacted]

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[redacted] telephone number [redacted] said [redacted] interviewed two of [redacted] informants approximately seven months ago.

[redacted] further stated, in substance, that he was [redacted]

[redacted] Agent [redacted] reminded [redacted] of what he was told during the 1/5/96 interview, which was that the agents were conducting a preliminary investigation into the potential corruption in a United States Senator's office.

Investigation on 1/12/96 at New York, New York

(telephonically)

File # 194A-NY-245234-58C-NY-256647

by SA [redacted]

Date dictated N/A

JAN 19 1996

FBI - NEW YORK

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 2/9/96

FM FBI NEW YORK (58C-NY-256647) (G14)

TO DIRECTOR FBI/ROUTINE/

BT

UNCLAS

CITE: //3540//

PASS: PUBLIC CORRUPTION UNIT

SUBJECT: [REDACTED]

UNITED STATES SENATOR

FRANK LAUTENBERG; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -  
 LEGISLATIVE BRANCH; OBSTRUCTION OF JUSTICE; OO:NY.

REFERENCE NEW YORK EC AND LHM TO FBIHQ DATED NOVEMBER 14,  
 1995.

FOR INFORMATION OF FBIHQ, NEW YORK OPENED CAPTIONED  
 MATTER AS A PRELIMINARY INQUIRY ON NOVEMBER 14, 1995.  
 INVESTIGATION CONDUCTED TO DATE HAS BEEN PROVIDED TO ASSISTANT  
 UNITED STATES ATTORNEY (AUSA), [REDACTED] EASTERN DISTRICT  
 OF NEW YORK. IT IS ANTICIPATED THAT SEVERAL ADDITIONAL

Approved: [REDACTED]

Original filename: TAL001W.040

Time Received: [REDACTED]

Telprep filename: TAL00150.040

MRI/JULIAN DATE: 1321/040

ISN: 617

FOX DATE &amp; TIME OF ACCEPTANCE: 1908

58C-NY-256647-19  
 SEARCHED  
 SERIALIZED  
 INDEXED  
 FILED

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^PAGE 2

INTERVIEWS MAY BE REQUESTED BY AUSA [REDACTED] FOLLOWING HIS  
REVIEW OF THE PRIOR INVESTIGATION CONDUCTED BY NEW YORK. DUE  
TO THE FACT THAT THIS PRELIMINARY INQUIRY EXPIRES ON FEBRUARY  
12, 1996, IT IS REQUESTED THAT NEW YORK BE GRANTED A THIRTY  
DAY EXTENSION IN THE EVENT THAT ADDITIONAL INVESTIGATION IS  
REQUIRED.

BT

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Routing Slip  
FD-4 (Rev. 8-8-89)

Date

2/1/96

To: ☐ Director

Att.:

FILE #

☐ SAC

☐ ASAC

☒ Supv.

☐ Agent

☐ OSM

☐ Rotor #

☐ Steno

☐ Typist

☐ M

Room

Title

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b7C

RE:

☐ Acknowledge

☐ Assign ☐ Reassign

☐ Bring file

☐ Call me

☐ Correct

☐ Deadline

☐ Delinquent

☐ Discontinue

☐ Expedite

☐ File

☐ For Information

☐ Handle

☐ Initial & return

☐ Leads need attention

☐ Mark for indexing

☐ Open case

☐ Prepare lead cards

☐ Prepare tickler

☐ Recharge file ☐ serial

☐ Send to

☐ Return assignment card

☐ Return file ☐ serial

☐ Return with action taken

☐ Return with explanation

☐ Search and return

☐ See me

☐ Type

ATTACHED IS PROVIDED FOR WHATEVER ACTION  
DEEMED APPROPRIATE. [REDACTED] IS  
APPARENTLY BEING APPROACHED BY MEMBERS  
OF CONSTITUTION DEFENSE MILITIA TO FURTHER  
THAT ORGANIZATION'S GOALS. DISSEMINATION OF THE  
ATTACHED OUTSIDE THE NYO IS BEING LEFT TO  
YOUR DISCRETION. [REDACTED]  
[REDACTED] WHO WAS CONVICTED IN SOME OF CIVIL RIGHTS  
VIOLATIONS. [REDACTED]

3 SAJ Tuckavage C-14 X299Y

See reverse side

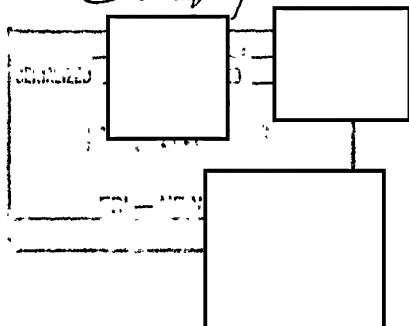
Office

FPI-RBK

file 58 C-NY-25667

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b7C

58c/ny-256647 -21





U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

26 Federal Plaza  
New York, New York 10278

March 5, 1996

[REDACTED]  
UNITED STATES SENATOR FRANK LAUTENBERG  
CORRUPTION OF FEDERAL PUBLIC OFFICIALS -  
LEGISLATIVE BRANCH; OBSTRUCTION OF JUSTICE

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This matter was predicated on information provided by



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b7D

[REDACTED] advised that [REDACTED]  
[REDACTED] in an investigation targeting a company called Seacrest  
Trading Company (STC). STC has offices in Greenwich, Connecticut  
and the Bronx, New York. [REDACTED]  
[REDACTED] STC owners/officers are members of the  
Dominican cartel [REDACTED] These individuals are involved  
in laundering drug money through STC. [REDACTED] has also told  
[REDACTED] STC is involved in food stamp fraud and loaning  
money to New York bodega owners at usurious rates.

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According to [REDACTED]



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On January 5, 1996 [REDACTED] was interviewed by New  
York Agents. [REDACTED]

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[REDACTED] Also present during this meeting, along with two other

individuals. was [redacted]

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[redacted] According to [redacted] in approximately March 1995 [redacted] called [redacted] and arranged to meet with him alone. [redacted] and [redacted] met alone on approximately March 12, 1995. During this meeting [redacted]

Upon further consideration, however, [redacted] became suspicious of [redacted] Senator LAUTENBERG because of the agreement [redacted] had suggested. Subsequently, several weeks later [redacted] the Senator's offices in Newark, New Jersey. [redacted] said that, in [redacted] presence, he asked [redacted] if she remembered [redacted]

[redacted] said [redacted] has not contacted him since the unannounced meeting. He added that he has had no contact at all with [redacted] since the unannounced meeting. [redacted] also noted that he has had no contact with Senator LAUTENBERG concerning this matter.

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Because of the alleged offer [redacted] [redacted] became suspicious that [redacted] or Senator LAUTENBERG might have possible connections to STC. Subsequently, [redacted] obtained campaign contribution information pertaining to Senator [redacted]

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[redacted]  
[redacted] In September 1995, [redacted]  
[redacted] "Suspicious Lautenberg Contributors." One of the  
alleged suspicious contributors is PAN AMERICAN ASSOC.

[redacted] asserts that PAN AMERICAN ASSOC. is a "corporate  
alias" sometimes used by STC. [redacted]

[redacted] once obtained a business card from  
an STC representative with the name PAN AMERICAN ENTERPRISES on  
it. [redacted] that PAN AMERICAN ASSOC. is a  
corporate alias used by STC is based solely on the similarity of  
the corporate names PAN AMERICAN ASSOC. and PAN AMERICAN  
ENTERPRISES.

On January 5, 1996, [redacted] was interviewed by New  
York Agents. [redacted]

[redacted] added that he does not  
recall ever even discussing anything like this with [redacted] at  
any time.

A review of Dun & Bradstreet Million Dollar Directory  
revealed a listing for Sea Crest Trading of Connecticut Inc.  
located at 111 Mill Street, Greenwich, Connecticut. A second  
listing for Sea Crest Construction Corporation was also located  
in Dun & Bradstreet at 157 Albany Avenue, Freeport, New York.  
The corporate officers for both listings as well as the corporate  
names were all compared to Federal Election Campaign records  
pertaining to Senator LAUTENBERG from the period 1990 to the  
present with negative results.

On March 5, 1996, Assistant United States Attorney  
[redacted] Chief of Special Prosecutions, Eastern District  
of New York (EDNY) advised that he has discussed this matter in  
detail with [redacted] United States Attorney, EDNY. [redacted]  
declined prosecution of this matter stating that the evidence  
developed did not merit additional investigation concerning  
Senator LAUTENBERG and [redacted]

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58c-Mr-256647-22

SEARCHED	INDEXED
SERIALIZED	FILED
FBI - NEW YORK	

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(03/31/95)

b6  
b7c

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 03/05/1996

**To:** FBIHQ  
UNIT

**Attn:** PUBLIC CORRUPTION/CIVIL RIGHTS

**From:** NEW YORK

SQUAD C-1

**Contact:** [REDACTED]

EXT. [REDACTED]

**Approved By:** [REDACTED]

**Drafted By:** [REDACTED]

**File Number(s):** 58C/NY-256647 (Closed)

**Title:** [REDACTED] UNITED STATES SENATOR  
FRANK LAUTENBERG; CORRUPTION OF FEDERAL PUBLIC OFFICIALS -  
LEGISLATIVE BRANCH; OBSTRUCTION OF JUSTICE; OO:NY

**Synopsis:** Closing communication regarding captioned matter.

**Administrative:** For the information of FBIHQ, a copy of enclosed LHM was provided to Assistant United States Attorney [REDACTED] Chief of Special Prosecutions Eastern District of New York (EDNY), and will serve to confirm the March 5, 1996 opinion of United States Attorney, [REDACTED] EDNY.

As additional information during the January 5, 1996 interview of [REDACTED] made allegations concerning the possible corruption of several New York area public officials. These allegations were determined to be insufficient to predicate additional full or preliminary investigations of the officials named by [REDACTED]

[REDACTED] also provided information concerning individuals involved in possible domestic terrorism and narcotics violations. This information was passed to the appropriate New York squads handling those matters.

**Enclosures:** Enclosed for the Bureau are the original and three copies of a self explanatory LHM.

3/28/96  
3/28/96  
DUPLICATE  
FBIHQ  
4/3/96

(03/31/95)

**FEDERAL BUREAU OF INVESTIGATION**

To: FBIHQ From: NEW YORK

Re: 58C/NY-256647, 03/05/1996

**Details:** New York opened captioned preliminary inquiry on November 14, 1995. Captioned preliminary inquiry was extended for thirty days via teletype dated February 9, 1996. New York is closing captioned matter.

① - NEW YORK  
2 - FBIHQ  
♦♦



file 58C-NY-256647

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